

SENATE

TUESDAY, JUNE 21, 1932

(Legislative day of Wednesday, June 15, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Coolidge	Johnson	Pittman
Austin	Copeland	Jones	Reed
Bailey	Costigan	Kean	Robinson, Ark.
Bankhead	Couzens	Kendrick	Robinson, Ind.
Barbour	Davis	King	Sheppard
Bingham	Dickinson	La Follette	Shipstead
Black	Fess	Lewis	Shortridge
Blaine	Fletcher	Logan	Smoot
Borah	Frazier	McGill	Steiwer
Bratton	George	McKellar	Stephens
Brookhart	Goldsbrough	McNary	Thomas, Okla.
Broussard	Gore	Metcalf	Townsend
Bulkeley	Hale	Morrison	Trammell
Bulow	Harrison	Moses	Tydings
Byrnes	Hastings	Neely	Vandenberg
Capper	Hawes	Norbeck	Wagner
Caraway	Hayden	Norris	Walsh, Mass.
Carey	Hebert	Nye	Walsh, Mont.
Cohen	Howell	Oddie	Watson
Connally	Hull	Patterson	Wheeler

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Saturday, June 18, and Monday, June 20, 1932.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate telegrams, in the nature of memorials, from the executive committee of Post No. 35, W. E. S. L., New York City, N. Y., and the Unemployed Council, Del Ray Branch, of Detroit, Mich., remonstrating against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

Mr. JONES presented a telegram in the nature of a petition from the Peninsular Savings and Loan Association, of Bremerton, Wash., praying for the passage of the home loan bank bill in its present form, which was ordered to lie on the table.

He also presented a telegram in the nature of a petition from the M. R. Smith Lumber & Shingle Co., of Seattle, Wash., praying for the passage of the home loan bank bill in its original form, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Seattle and vicinity, in the State of Washington, praying for the passage of the bill (H. R. 337) to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved March 16, 1906, subjecting motor boats to the provision of laws governing steamboat inspection; to the Committee on Commerce.

RELIEF OF UNEMPLOYMENT

Mr. McNARY. Mr. President, I send to the desk a copy of a telegram from Julius L. Meier, Governor of the State of Oregon, relating to the unemployment situation, and ask that it may be printed in the RECORD and lie on the table.

There being no objection, the telegram was ordered to be printed in the RECORD and to lie on the table, as follows:

PORTLAND, OREG., June 21, 1932.

Hon. CHARLES L. McNARY,

United States Senate, Washington, D. C.:

At unemployment conference to-day attended by representatives from all parts of State and by county judges resolution was unanimously adopted strongly urging passage of resolution providing employment relief from Federal sources. Local resources have been depleted, and Federal aid is essential if we are to avert hunger and suffering. Sense of meeting was that road work affords best means

of providing employment for untrained labor. Trust you will confer with President Hoover regarding this and urge his support for appropriation funds for road work.

Kindest regards.

JULIUS L. MEIER, Governor of Oregon.

REPORTS OF COMMITTEES

Mr. FESS, from the Committee on the Library, to which was referred the joint resolution (H. J. Res. 408) providing for the filling of vacancies in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress, reported it without amendment.

He also (for Mr. KEYES), from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 12360) to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post-office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937, reported it without amendment and submitted a report (No. 847) thereon.

Mr. ODDIE, from the Committee on Appropriations, to which was referred the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, reported it with amendments and submitted a report (No. 850) thereon.

Mr. SMOOT, from the Committee on Finance, to which was referred the resolution (S. Res. 238) directing the Tariff Commission to investigate production costs of pins, reported it without amendment and submitted a report (No. 848) thereon.

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (S. 4747) to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea, reported it without amendment and submitted a report (No. 858) thereon.

Mr. KEAN, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 4381. An act authorizing the President to transfer and appoint Lieut. Morris Smellow, United States Navy, to the grade of passed assistant paymaster, with the rank of lieutenant, in the Supply Corps of the United States Navy (Rept. No. 849); and

H. R. 1804. An act for the relief of Frank Woodey (Rept. No. 857).

Mr. WALSH of Massachusetts, from the Committee on Naval Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 1700. An act for the relief of Walter S. West (Rept. No. 851);

H. R. 6444. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Alabama Society of Fine Arts, the silver service presented to the United States for the U. S. S. *Montgomery* (Rept. No. 863);

H. R. 6599. An act to amend the act entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," approved June 24, 1926, with reference to the number of enlisted pilots in the Navy (Rept. No. 864);

H. R. 6735. An act to authorize the Secretary of the Navy to fix the clothing allowance for enlisted men of the Navy (Rept. No. 852);

H. R. 6860. An act for the relief of Florence Northcott Hannas (Rept. No. 865); and

H. R. 7939. An act to authorize the presentation of a distinguished-flying cross to Russell N. Boardman and John L. Polando (Rept. No. 853).

Mr. DAVIS, from the Committee on Naval Affairs, to which was referred the bill (H. R. 3644) for the relief of Lewis A. McDermott, deceased, reported it without amendment and submitted a report (No. 854) thereon.

Mr. SHORTRIDGE, from the Committee on Naval Affairs, to which was referred the bill (H. R. 2695) for the relief of David Albert Robeson, reported it without amendment and submitted a report (No. 855) thereon.

Mr. COHEN, from the Committee on Naval Affairs, to which was referred the bill (H. R. 3624) for the relief of Minnie Hopkins, reported it without amendment and submitted a report (No. 856) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5595) for the relief of Harry Manning Lee, reported it without amendment and submitted a report (No. 859) thereon.

Mr. AUSTIN, from the Committee on the District of Columbia, to which was referred the bill (S. 1308) to amend the Code of Law for the District of Columbia, approved March 3, 1901, as amended, by adding a new chapter relating to guardians for incompetent veterans, and for other purposes, reported it with an amendment and submitted a report (No. 860) thereon.

He also, from the same committee, to which was referred the bill (S. 4661) to repeal an act entitled "An act to legalize the incorporation of national trade-unions," approved June 29, 1886, reported it with amendments and submitted a report (No. 861) thereon.

Mr. WALSH of Montana, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 9369) to set aside certain lands around the abandoned Bowdoin well, Montana, for recreational purposes under a permit to Phillips County Post, No. 57, of the American Legion, Department of Montana, reported it without amendment and submitted a report (No. 862) thereon.

Mr. HEBERT, from the Committee on the Judiciary, submitted a report (No. 866) to accompany the bill (H. R. 10587) to provide for alternate jurors in certain criminal cases, reported by him on the 20th instant without amendment.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BROOKHART:

A bill (S. 4914) granting a pension to Amanda Mahurin; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 4915) for the relief of Lyman I. Collins (with accompanying papers); to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 4916) to authorize the presentation of a distinguished-service cross to Rufus Boylan; to the Committee on Military Affairs.

By Mr. REED:

A bill (S. 4917) for the relief of Charles Taylor; to the Committee on Military Affairs.

By Mr. GORE (by request):

A bill (S. 4918) to amend section 500 of the World War veterans' act, 1924, as amended; to the Committee on Finance.

By Mr. HEBERT:

A bill (S. 4919) to vest in the Register of Copyrights the registration of prints and labels; to the Committee on Patents.

By Mr. CAPPER:

A bill (S. 4920) to authorize the closing of a portion of Virginia Ave. SE., in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL

Mr. NORBECK submitted an amendment intended to be proposed by him to House bill 12443, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 19, after line 8, insert a new paragraph, as follows:

"Indian school buildings: For replacement and repair of buildings and equipment destroyed or damaged by cyclone at the Oglala Boarding School, Pine Ridge Reservation, S. Dak., fiscal years 1932 and 1933, \$72,000."

PUBLIC-WORKS PROGRAM—AMENDMENT RELATIVE TO THE SO-CALLED SOLDIERS' BONUS

Mr. TRAMMELL submitted an amendment intended to be proposed by him to the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, which was ordered to lie on the table and to be printed.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. BINGHAM. Mr. President, I have been informed that it is deemed necessary that the junior Senator from Virginia [Mr. GLASS] shall be excused from service as a conferee on the part of the Senate upon the District of Columbia appropriation bill. I ask unanimous consent that he may be excused and that the Chair appoint a conferee in his place.

The PRESIDING OFFICER (Mr. FESS in the chair). Is there objection? The Chair hears none, and the junior Senator from Virginia is excused. The Chair appoints the Senator from New York [Mr. COPELAND] as a conferee on the bill.

PHILIPPINE INDEPENDENCE

Mr. HAWES. Mr. President, the Senate has before it most comprehensive discussions of the Philippine question in all its phases, in the form of voluminous reports from both the House and the Senate committees on this subject, in addition to the hearings.

In the RECORD of June 13, 1932, all these reports, an analysis of the bill, and a discussion are to be found.

However, without occupying too much of the time of the Senate, I shall attempt to add to this accumulated information. I ask unanimous consent that the following discussion by me may be ordered to lie on the table and to be printed in the body of the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HAWES. Mr. President, the grant of independence to the Filipinos is a duty imposed on us by our voluntary promises to them, and through them to the whole world. At the outset of our occupation of the Philippines we could have proclaimed our purpose to retain them for our own use and benefit, just as we have held Puerto Rico, another of the colonies we took from Spain. The statement of such an intention might have prompted some doubts of its consistency with American ideals or some question of its wisdom as a policy, but it could not have raised a moral issue. But we declared and reiterated that we did not design to hold the islands and their people. On the contrary we bound ourselves by pledges of the most unequivocal character to prepare the Filipino people for self-government and ultimate independence. Hardly any other American policy or obligation undertaken by the United States is as definite and unmistakable in its intent and as binding on the national conscience as our policy with respect to the Philippines. There is some uncertainty, for example, regarding the extent to which the Monroe Doctrine commits or permits us to concern ourselves with the internal affairs of Latin American governments. There is a good deal of haziness about our rights and duties under certain of our international treaties, especially those affecting China, but there is no room for honest misunderstanding of our obligation as to the Philippines. Presidents and the Congress of the United States have assumed that obligation in the name, by the authority and with the approval of the American people. Its existence has been recognized by every President from McKinley to Hoover.

After our defeat of Spain we had complete freedom to decide whether we should acquire the Philippines and to determine how we should use them. The world was accustomed to the transfer of peoples from one sovereignty to another, without reference to their wishes or welfare. We should have owed no apologies to others no matter what excuses we should have been obliged to make to ourselves if we had announced that we claimed the Philippines as part of the spoils of war and purposed to keep and exploit them for our own material advantage and wholly according to our own plans. But we adopted no such course. We declared instead that we were bringing the Filipino people under the American flag not for our benefit but for theirs; that we wished them to be free; and that we would make them fit for freedom.

In the light of history, then, we have seen by what attitudes, utterances, and actions of ours, when first we entered the Philippines, the people of the islands were impelled to the conviction that we intended not merely to liberate them from Spain but establish them—as we constituted Cuba—as an independent nation. We have read also in that same light how firmly and fervently (but fatuously and futilely, as some would persuade us to think) the Filipinos have clung to the belief that we will keep the faith they hold we plighted to them thirty-odd years ago and pledged anew many times since then.

It is necessary to a correct understanding of the Filipino's claims on us and it is vital to a right conception of our obligation to him to review the words and deeds by which we have at the least appeared to promise him the boon he craves most of all— independence. Whether it was advisable, from our point of view, to confirm and encourage the Filipino's aspirations is now beside the point. Whether our promise looked to the true welfare of the Philippines may still be a debatable question. But there is not a vestige of doubt that our assurances were received in good faith by the Filipino, and they can not now be withdrawn or revised without compromising and doing detriment to him.

Turn now to the long concatenation of statements by Presidents, members of presidential Cabinets, representatives of the United States in the Philippines, spokesmen for business, agriculture, and labor—protagonists and antagonists of Filipino nationhood:

President McKinley, at the very outset of the American occupation, said to the American people: "The Philippines are ours not to exploit, but to develop, to civilize, to educate, to train in the science of self-government." And he expressed the hope that the American commissioners would be received as bearers of "the richest blessings of a liberating rather than a conquering nation."

Jacob Gould Schurman, president of the first Philippine Commission, was undoubtedly speaking the mind of President McKinley as well as his own when he said: "The destiny of the Philippine Islands is not to be a State or a Territory in the United States of America, but a daughter republic of ours—a new birth of liberty on the other side of the Pacific, which shall animate and energize those lovely islands of the tropical seas, and rearing its head aloft, stand as a monument of progress and a beacon of hope to all the oppressed and benighted millions of the Asiatic Continent."

I have been unable to find any direct statement by William H. Taft when he was President, but he spoke pretty decisively on the subject when he was Secretary of War. In a report to President Roosevelt in 1908, Mr. Taft declared:

"Shortly stated, the national policy is to govern the Philippine Islands for the benefit and welfare and uplifting of the people of the islands and gradually to extend to them, as they shall show themselves fit to exercise it, a greater and greater measure of popular self-government. . . . What should be emphasized in the statement of our national policy is that we wish to prepare the Filipinos for popular self-government. This is plain from Mr. McKinley's letter of instructions and all of his utterances. . . . Another logical deduction from the main proposition is that when the Filipino people as a whole show themselves reasonably fit to conduct a popular self-government, maintaining law and order and offering equal protection of the laws and civil rights to rich and poor, and desire complete independence of the United States, they shall be given it."

The foregoing was but a reiteration with strong emphasis of what Mr. Taft had said three years earlier:

"What shall be done in the future . . . is a question which will doubtless have to be settled by another generation than the present, both of the American and of the Philippine people, to whose wisdom and generosity we may safely trust the solution of the problem. Should the Philippine people when fit for self-government demand independence, I should be strongly in favor of giving it to them, and I have no doubt that the American people of the next generation would be of the same opinion."

In 1908, President Roosevelt indicated, in a message to Congress, that the independence of the Philippines was a question to be determined by their inhabitants. "I trust that within a generation," he said, "the time will arrive when the Filipinos can decide for themselves whether it is well for them to become independent."

The generation of which President Roosevelt spoke at that time has passed.

On another occasion—and eight years later—Mr. Roosevelt counseled prompt action in respect to independence:

"The only good that has come to us as a nation has been the good that springs from knowledge that a great deed has been worthily performed. Personally I think it is a fine and high thing for a nation to have done such a deed with such a purpose. But we can not taint it with bad faith. If we act so that the natives understand us to have made a definite promise, then we should live up to that promise. The Philippines, from a military standpoint, are a source of weakness to us. The present administration has promised explicitly to let them go, and by its actions has rendered it difficult to hold them against any serious foreign foe. These being the circumstances, the islands should at an early moment be given their independence without any guaranty whatever by us and without our retaining any foothold in them."

Fifteen years after we came into possession of the Philippines, President Wilson took an advanced position in the matter of independence. In his message to the Filipino people, delivered by Governor General Harrison in 1913, he said:

"We regard ourselves as trustees acting not for the advantage of the United States but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to ultimate independence of the islands and as a preparation for that independence."

Later in the same year he sent a message to Congress, and in it he spoke thus of the Filipinos: "By their counsel and experience, rather than by our own, we shall learn how best to serve them and how soon it will be possible and wise to withdraw our supervision." Addressing Congress, in a message in 1920, the President used the following language: "Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of the Congress

in their behalf, and have thus fulfilled the condition set by the Congress as the precedent to a consideration of granting independence to the islands. I respectfully submit that this condition precedent having been fulfilled, it is now our liberty and our duty to keep our promise to the people of these islands by granting them the independence which they so honorably covet."

President Harding, in his reply to the Philippine independence mission of 1922, said:

"I can only commend the Philippine aspirations to independence and complete self-sovereignty. None in America would wish you to be without national aspirations. You would be unfitted for the solemn duties of self-government without them."

On February 21, 1924, President Coolidge wrote to Manuel Roxas, speaker of the Philippine House of Representatives and head of the Philippine mission to the United States in that year, saying:

"It is not possible to believe that the American people would wish to continue their responsibility in regard to the sovereignty and administration of the islands. It is not conceivable that they would desire, merely because they possessed the power, to continue exercising any measure of authority over a people who could better govern themselves on a basis of complete independence. If the time comes when it is apparent that independence would be better for the people of the Philippines from the point of view of both their domestic concerns and their status in the world; and if when that time comes the Filipino people desire complete independence it is not possible to doubt that the American Government and people will gladly accord it."

Thus far President Hoover has not expressed his own opinion, but he has admitted that "independence of the Philippines at some time has been directly or indirectly promised by every President and by the Congress."

Whenever the Republican Party has spoken on the subject it has recorded its sympathy with self-government for the Philippines. The Democratic Party has several times committed itself to the cause of independence.

If at any time during the period of our responsibility for the Philippines the President or other official of the United States had advocated our permanent retention and government of the islands, we could now say with some measure of plausibility that our intentions had been proclaimed and that, therefore, American and Filipino promoters of independence were countering a definite and decisive American policy. But for more than a quarter of a century, almost a generation, there has been a general understanding—in one case taking the form of an act of Congress—that the Filipino people should some day be free and independent. The act of Congress which, by reason of the promise of independence it contains, imposes on us an ethical and moral, though perhaps a juridic, obligation, is the Jones law, passed by Congress in 1916. The promise is in the preamble, which I quote in full:

"Whereas it was never the intention of the people of the United States in the incipency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

"Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

"Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States, in order that by the use and exercise of popular franchise and governmental powers they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence."

Some opponents of independence hold—at least they assert—that because this statement of our purposes was not in the body of the bill it is not a binding promise. Though but few cling to this contention, I nevertheless think it deserves an answer. In the first place, there was no other valid way in which Congress might express its opinion. It could not have included in the body of the bill such a declaration as the preamble recites without first having fixed a definite date for the termination of American sovereignty in the islands. Those who take refuge in the technicality—the triviality with which I am now dealing—might as well urge that our Declaration of Independence or the Monroe doctrine was not binding because it was not put in the body of a bill. Not only the preamble but also the title of the Jones Act proclaims our policy in reference to the Philippines. And it is a rule of law that the title of a bill shall adequately describe its intent. Here is the title of the Jones law:

"An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands."

This phrase "future political status," especially when read in connection with the preamble and the provisions of the bill, is certainly clear enough—the words, "to proponents and objectors" well understood that the preamble was not only a definition of policy but also a promise made in the name of, by the authority and with the concurrence of, the American people. One thing else: There was a separate vote on the preamble, and it was adopted by a considerable margin. Republicans as well as Democrats supported it.

The Filipinos shared the general view that the Jones Act was a pledge given to them by the American people. The Philippine Legislature, speaking for the inhabitants of the islands, viewed the Jones law as a program looking to independence and so acknowledged and accepted it.

The Filipino understanding of the American promise was given to the Senate committee by Manuel Roxas. I quote from his testimony:

"Granted the necessity of a final and definite declaration regarding the future status of the Philippine Islands, it is important to determine what that status should be. This question was formally and authoritatively defined by the Congress in the preamble of the Jones Act. That document states that 'it is, as it has always been, the purpose of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein.' This declared policy is in accord with authoritative pronouncements of American Presidents and other officials who could assume the right to speak on behalf of the American people. It is thus to be seen that independence is and has always been the goal and objective of America's Philippine policy. The Jones Act merely gave legal and constitutional sanction to that policy. * * * Its grant would be as much a fulfillment of that policy as the satisfaction of Filipino aspirations. It would be the happy outcome of the joint labors of two peoples undertaken with generosity on the one hand and with abiding confidence and faith on the other."

I have cited but a few of the official statements and the testimonies of recent observers and writers. There is little need to multiply such documentations. There is an impressive consensus in behalf of independence. Most significant has been the absence of open advocacy of the permanent retention of the Philippines. Not one witness appearing before the Senate committee proposed such a plan. Postponement of independence—that was the nearest to an outright repudiation of our pledges any witness ventured.

Every class and condition of Filipinos desires independence. Abundant attestation of that fact I found on my visit to the islands. Chambers of commerce, labor leaders, agricultural leaders, educators, bankers, the press, the legislature—all have petitioned for independence. There is no division among the people. Not one Filipino that I met or talked with or questioned opposed independence. The leaders of the Roman Catholic Church, the Protestant Church, the Aglipayan Church, the Moros, and the pagans, divergent as their religious tenets are, nevertheless are alike in their conviction that independence is the due and the destiny of the Filipino nation. These and other groups may differ as to the time for it—whether it should come at once or in the near future—but there can be no doubt that they all want it and will accept it on any terms that we may specify.

This brings me to the consideration of a point I wish to discuss. Some Americans who have discussed with Filipinos this question of opportuneness have learned that the latter in not a few instances deprecate the words "immediate, absolute, and complete independence." It is true that some Filipinos regard these words as involving serious difficulties, such, for example, as the internal economic dislocation that would ensue from sudden application of the American tariff to products of the Philippines. From this reservation in the minds of certain Filipinos these Americans derive the impression that the natives are insincere in their talk of independence. The frank admissions by Filipinos that independence for the Philippines means sacrifice as well as advantage have stirred doubts and suspicions in the minds of many of our people.

Those American manufacturers and merchants who are exerting influence to defeat Filipino independence are inviting detriment to themselves. If, as now seems certain, the desire for an independent nation in the Philippines becomes more fervent and widespread, the islanders may turn elsewhere for their needs. They could hardly be blamed for refusing to permit their own money to be a weapon against independence. It may as well be recognized also that we can not offer the Filipinos material prosperity as a substitute for independence. I have come to believe they would rather be poor and free than rich and dependent.

We Americans have always exalted freedom and self-government above material welfare and luxury. We have put the same ideal before the Filipinos. Their intellectuals, especially the graduates of American universities, are aware that we have always and everywhere honored and encouraged the aspiration of liberty and democracy. We have welcomed every new member of the family of independent nations. More than once the American people have raised funds for the cause of independence in other parts of the world. Within 35 years after this Government was established we lent assistance to the struggle for independence in South America and guaranteed the liberty won there. In the last generation we have given our sympathy to the efforts of the Greeks to erect a republic, to the Boers in South Africa, to the Young Turks. Eighty years ago we cheered the struggles of Kossuth to make Hungary free. Our aid to Ireland continued for a century or more. All these historic facts, I repeat, are known to the leaders of the Filipino people.

Sometimes there is a contrast between our preachments about liberty and our practices in the Philippines. This is only one of the incongruities for which our excursion into imperialism has been responsible. The Filipino sees these discrepancies and wonders.

Mr. President, discussed for more than 30 years in Congress and in the popular forum, the Philippine problem, which our victory over Spain thrust into our political life, seems now about to have a permanent and satisfactory solution. That solution is to be the fulfillment of the promise of independence the United States made to the Filipinos at the outset of the American control of the islands. Such consummation of our long and painstaking tutelage of this oriental people will vindicate the principles and

ideals of America and assure the establishment of the first Christian republic in the Far East.

The present Congress, notwithstanding a vigorous propaganda against the proposal, is preponderantly in favor of granting independence. One bill looking to the bestowal of nationhood on the Philippines has passed the House of Representatives by a vote of 306 to 47. Eighty-one per cent of the Representatives were recorded in this vote, and 70 per cent of them supported the bill. A correspondingly large support, I am confident, will be given to the bill in the Senate, if it can be put on its passage. With so impressive an approval of independence by Congress—Republican in one branch and Democratic in the other—we may feel certain that President Hoover will give his concurrence also.

Powerful influences have been won to the cause of independence. Dr. Jacob Gould Schurman, president of the first Philippine commission appointed by Mr. McKinley, is one of these. Prior to his selection for that post he was president of Cornell University and afterwards served as American ambassador to Germany. His plea for Philippine independence was reiterated only three months ago—after the Hawes-Cutting bill had been reported to the Senate—in the course of a lecture at the University of Southern California.

"If the Filipinos themselves are willing to fill the higher governmental offices and to assume the problem of self-defense, we must recognize that it is their problem and leave the islands, whether we think we can run them better than they or not," Doctor Schurman said. "We have formally agreed to this by act of Congress," he continued, referring in this statement to the Jones law of 1916, by which the United States is pledged to confer complete self-rule on the Filipinos just as soon as they demonstrated their ability to establish "a stable government." "Our own Government is based on the consent of the governed, and the Filipinos appeal to us on the same ground to grant them independence," Doctor Schurman told his hearers.

In the roster of champions of independence are also W. Morgan Shuster (now president of the Century Co.), a member of the first Philippine commission—that headed by Doctor Schurman; Judge F. C. Fisher and Judge Adam C. Carson, former associate justices of the Philippine Supreme Court; Judge Richard Campbell, of New York; Frank L. Crone, former commissioner of education of the islands; and most of the Members of the present Congress, including, in particular, those Senators and Representatives who served on the committees which investigated the subject and drafted the pending bills.

There is, of course, a very vigorous opposition to the withdrawal of American sovereignty over the Philippines. Most of those who oppose independence are as sincere and patriotic as those who espouse it. Indeed, a strong—and, in my judgment, wrong—sense of patriotism is precisely what explains the opposition of not a few. These are so dead against "lowering the American flag" that to prevent that consequence they seem almost willing to lower the moral standards which the Stars and Stripes have always heretofore symbolized.

The promises of the United States are of supreme import. It is the ethical factor of the problem. They are a sacred obligation, unless we have come to believe that America's word of honor may be given and withdrawn as material advantage or political exigencies dictate. The final disposition of the Philippines must ultimately be determined in keeping with that pledge of ours, provided that the Filipino people shall not meanwhile, by some sort of collective pronouncement, absolve us from its redemption. The fact is, of course, that they confidently expect us to fulfill our promise—and so do all the other peoples of the Far East. They crave the opportunity to live their own national life. Few people in the world have had so long and so thorough a preparation for independent existence as they have had. The Spanish colonies of North and South America became republics with hardly any previous experience or autonomy. Even some of the new nations of Europe—Czechoslovakia, Latvia, Estonia, etc.—had little or no apprenticeship in self-government before the World War. The people of these new European states were one day the subjects of monarchies—and at least two of them the victims of autocracies—and the next day sovereigns among sovereigns. The Filipinos have been under American fostering—in the school of the greatest of all democracies—for a generation, and that after they had won the last of a series of struggles for liberation from Spanish rule. If independence comes to the Philippines no earlier than the approximate date fixed in the Hare bill, they will have been 43 years in training for it.

Japan could have taken the Philippines at any time in the half century before the United States acquired them. Her defeat of China in 1894 raised her at once to a position of dominance in the Far East and to a place among the great military and naval powers of the world. Spain could not possibly have resisted so mighty an adversary. History and current events make manifest that Japan's expansion has been steadily and of purpose to the mainland of Asia. Her conquests from Russia, her seizure of Korea, her present occupation of Manchuria—all these tell of her preference for a new empire on the Asiatic continent. She has undertaken only one annexation in the direction of the Tropics. That was her acquisition of Formosa as one of the spoils of her war with China. She has attempted to colonize the island with her own subjects, but after 37 years of governmental efforts to that end only about half a million Japanese have settled there. They do not flourish in a warm climate. For that reason they prefer Manchuria to the Philippines. They have been free to domicile themselves in the Philippines, but not more than 8,000 of them are to be found in

the whole Archipelago. They were once more numerous there than they are now.

On two grounds, then, the "Japanese menace" to continuance of Philippine independence can not validly be urged as justification for America's withdrawal of her pledge she has given the Filipino people. First, there is no sound basis—past, present, or prospective—for the assertion that Japan covets the Philippines. The historic facts and the happenings of the moment coincide to negative any such conclusion. Secondly, the plea that because Japan may at some time, in some contingency, violate international comity by an attack on the islands, the United States should commit a breach of faith, here and now, is not very complimentary to the logic of those who utter it nor to the American people, to whom it is addressed. Such a course as these propagandists counsel would be no less impolitic than immoral. It would do immense detriment both to American prestige and American commerce in the Far East. It would cost America the high regard she has won in the Orient by her chivalrous conduct toward the oriental peoples—especially the Chinese and her own wards, the Filipinos. It is, indeed, a doctrine of such crass materialism and Machiavellianism that the American people can confidently be expected to reject and rebuke it as an affront to common sense and common decency alike.

"The bloody rebellion," it is said, will arise from the differences between the Christian majority and the Mohammedan minority. The prophets of this religious conflict always picture the Mohammedans as "proud Moros," compliment their prowess, and vision the war as involving the entire Philippine Archipelago and other regions of the Far East. Indeed, when one reads any of a dozen opponents of Philippine independence one is in doubt as to which of two calamities it will bring first—conquest of the islands by Japan or their depopulation by internecine conflict.

The non-Christian peoples of the Philippines number 800,000 of the total of 13,000,000 inhabitants; that is, 1 in 16. It is not credible that this minority, "proud" and sanguinary though it be, would be able—if willing—to make successful war on an overwhelming majority in control of the military and police of the islands. But the guaranty against a "bloody rebellion" in the Philippines is not supplied altogether by the preponderance of the Christians. It is afforded also by the good sense of the non-Christian people. They don't deserve the evil reputation their champions in the United States invent for them. They have no thought of warfare against their fellows of the Christian faith.

Large numbers of them, including their most important and influential representatives, are as eager for independence as the Christian Filipinos are. They have sent memorials to the United States petitioning for Philippine nationhood. They have acquiesced in the government of the islands by the Christian majority and have lived peaceably and prosperously under Christian governors of their Provinces. There has not been the least friction between the non-Christians and the Christians in recent years. Both realize that they must live together in concord. They regard each other with respect and do not allow their differences of religion to prevent their cooperation in civic enterprises.

If there were any tendency on the part of the great religious groups in the Philippines to engage in strife over creeds, those who are constantly exploiting such possibility would be incurring a grave responsibility. As it is, the worst result of the present exploitation—and it is bad enough—is its encouragement of a misconception on the part of many Americans respecting conditions in the Philippines.

Let us next consider the prophecy of economic disaster. It is quite gratuitous to say that the material progress of the Philippines would be halted by independence. The islands are rich in many things which the world requires. Their natural resources have in some significant instances been neglected because of the artificial character of the insular economic relations with the United States. The Filipinos have been practically stopped from trading with other nations than the United States. On our side we have had a virtual monopoly of the Philippine market. If reciprocity has helped certain Philippine industries—and it has—it has also hindered the development of new and different industrial undertakings in the islands.

Once the products of the Philippines are subjected to American tariffs, as those of other foreign countries are, the Filipino people will necessarily take stock of their wares and canvass their possible customers. They will adjust their production to the demands and opportunities offered in the various markets of the world. That is what much more backward and less resourceful and industrious peoples than the Filipinos have done and are doing.

It is easy to be dogmatic about the future. It is impossible to disprove mere potentialities. One can only forecast events of to-morrow by the light of to-day and yesterday. With that light to guide, however, one can see the Filipinos continuing the progress to which 34 years' experience in the management of their national household has given a powerful impetus. Thirty per cent of the Philippine budget is expended on the public schools of the islands. The Filipinos have shown not merely aptitude, but ambition to achieve success in government. Their social and intellectual standards are higher by a good deal than those of their Asiatic neighbors. Their cooperation with the United States for their cultural and material advancement is a mark of their fitness for self-rule and an earnest of their further development.

Shall a free Philippines become "a disturbing factor in the Far East," as the lugubrious soothsayers declare? Suppose we examine the facts. If Japan is even half as reckless and ruthless

as represented for the purpose of making her an obstacle to Filipino nationhood, then an independent Philippines can hardly be more of "a disturbing factor in the Far East" than a dependent Philippines is. The United States is at present obliged to protect the islands, and that in the face of a treaty which forbids any fortifications on them. Japan is greedy, unscrupulous, aggressive, and very powerful, the foes of independence tell us in a tragic whisper, and then they support their statement by reminding us how, in despite of American warnings, in the teeth of the League of Nations, and in defiance of public opinion throughout the world, she planned and executed her recent invasion of Manchuria and China proper. If that be Japan's true character and her real disposition; if she neither fears nor respects the collective nations of the earth, she will surely not dread or regard the United States and—in the hypothesis presented—she will take the Philippines whenever their seizure bespeaks military or political or commercial advantage to her. In that eventuality, the United States will be bound to defend and retain the islands, even at the cost of a terrible war.

The Philippines have many products which we need and which we can not obtain in other countries or can not purchase elsewhere under more favorable conditions. On the other hand, Filipinos can buy in the United States much if not all the commodities they are buying now. American farmers and wage-workers are as conscious of their rights and interests and as eager and able to protect these as the opponents of Philippine independence are. Accordingly, these two groups—6,500,000 members of agricultural associations, and 5,000,000 members of labor organizations—not merely desire, they demand, the speedy enactment of legislation for an independent Philippines.

There are offsets to the economic losses and disadvantages which are prophesied as consequences of the disposal of the Philippines. According to one authority, the maintenance of the American Army and the Philippine Scouts in the islands cost taxpayers in this country—not those of the Philippines—a grand total of \$685,613,504 for the period from May 1, 1898, to June 30, 1931. In the same 33 years, the expense of the Navy serving in the islands was \$76,634,919, an average of \$2,312,791 a year. In these days of stress in governmental finances the saving of this average annual charge of \$22,000,000 for the Army and the Navy would be worth making. If we should have to enlarge our military and naval forces in the Philippines, the expense would, of course, increase proportionately. In addition to the cost of the Army in the islands there were also expenditures totaling about \$17,000,000 for other insular purposes during the 33 years ending June 30, 1931. By the time the islands become independent under the terms of either of the pending bills, their cost to the United States will have risen to a billion dollars.

American economists, moreover, point to other offsets. They remind us that while only 9,178,380 of the aggregate of 73,216,124 acres of land in the islands are under cultivation, Philippine products are nevertheless in hurtful competition with the products of American farms, dairies, plantations, etc. Indeed, the various agricultural associations of the United States, as I have said, are urging Philippine independence not only for its own sake, but as a means of protecting the domestic market from Filipino competitors. If such be the situation with only 12 per cent of the Philippine land in production, what will happen when 30, 40, or 50 per cent is yielding rice, hemp, corn, tobacco, and sugar—all at much lower costs than they can possibly be produced in the United States?

But even if it were demonstrable—as it isn't—that American-Philippine trade should diminish or wholly disappear, they still remain under the moral compulsion of keeping their word to the Filipinos. We are not yet so pragmatic as to proclaim and practice the doctrine that promises whose fulfillment involve economic losses need not be kept.

One of the conventional arguments against Philippine independence is that "selfish interests" are promoting the cause and using the Filipinos as pawns in the game. Now it may well be that certain American groups or institutions or individuals are seeking profit from the political severance of the Philippines from the United States. But Philippine independence as a good thing in itself should not be halted or prevented because, as an incident, it brings benefit to some of the people of the United States. If these groups are seeking a good end for a bad purpose, what shall be said of the "selfish interests" that are attempting to defeat a worthy cause for an evil motive? For some very powerful coteries are in the opposition and are employing all their great resources to induce the Government of the United States to break faith with the Filipino people. There has been a good deal of criticism of the brief consideration given the Hare bill when it was put on its passage in the House of Representatives on April 4. The critics designedly leave the impression that the measure was passed by the House not only without understanding of its provisions, but contrary to their demands for a longer study of it. At frequent intervals ever since 1916 the Congress has had before it bills looking to the independence of the Philippines. On several of these bills there were exhaustive hearings. The testimony adduced at these hearings was printed and has been available to every Member of Congress. The Senate conducted an inquiry in 1930, and the information it gathered from friends and foes of Philippine nationhood is likewise open to Senators and Representatives. Besides all this, the Committee on Insular Affairs of the House last winter undertook its own inquiry and obtained the views of almost every important individual and organization concerned about the Philippines. These views also were published

and made accessible to the Members of the House. Finally, the committee's report, containing conclusions derived from the testimony, and a recommendation in behalf of independence, was sent to every one of the 435 Representatives.

The prompt passage of the Hare bill by an overwhelming majority of the Members of the House, Republicans as well as Democrats, was, therefore, not a mark of "precipitance" or "carelessness" or "recklessness," as some few writers and speakers on the subject have alleged. It was precisely a sign and token that the Representatives had familiarized themselves with the facts and issues involved and voted with full knowledge and understanding.

It is quite patent, I think I have indicated, that either from considerations of intelligent self-aggrandizement or in solicitude for the national honor, every American, whether he be in official post or in private life, must give his support to Philippine independence. Righteous and generous treatment of the Filipinos—an oriental people—is sure to win for the United States the esteem of all the other nations of the Orient. And no other investment is so productive as that made in behalf of good will. For commerce follows friendship. Moreover, it is always a wholesome and salutary policy to be honest and honorable. Our Government can not be unjust to the people of other nations without sacrificing somewhat of the respect, obedience, and loyalty of its own citizens.

JOBLESS LIBERTY PARTY

Mr. GORE. Mr. President, by request, I present a letter from Col. J. H. Stolper, general counsel and chairman of the national executive committee, the American Veterans of All Wars, Muskogee, Okla., addressed to Rev. James R. Cox, Pittsburgh, Pa., on the subject of a "Jobless Liberty Party," which I request may be published in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MUSKOGEE, OKLA., May 14, 1932.

Subject: Jobless liberty party.

Rev. JAMES R. COX,

Liberty Avenue and Seventeenth Street, Pittsburgh, Pa.

MY DEAR REVEREND SIR: I have your letter of May 9, 1932, informing me of your plan to form a jobless liberty party and hold a convention in St. Louis, Mo., to nominate candidates for President and Vice President; also to pass resolutions, which you inclose, to be handed by you to the President, Vice President, and Speaker of the House. Some of your collaborators also inform me that a march upon Washington to the President and Congress is contemplated upon a large scale, and you request me to cooperate with you.

When a step affecting a large portion of the American people is contemplated, the first thought must be can there result any good from such step; second, can it be productive of any harm?

I feel that the passing of any set of resolutions can do no possible good. Let us be fair and just. Are such resolutions necessary? They are not. What could they do? Inform the President, the Vice President, and the Speaker of existing conditions. Do these officials need informing at this time? They do not. Is it not effecting a useless effort? I not only believe that your proposed action can and will do no good but it may do great harm, and for this reason not only can I not, and I will not associate myself with such a move, but I implore you in the name of right and love for our country to abandon such a step if you can do so.

The President of the United States is more than anyone just now fully acquainted with the great suffering that exists; he is and has for some time been doing everything humanly possible to meet and overcome the critical conditions. Why, then, harass the President any more? There is a limit to punishment. The President of the United States has had to meet a situation not of his making. Why increase his burden with a move of the kind you contemplate? It is an easy matter to get together a large number of unemployed, but you can never tell when an orderly mass of suffering and irresponsible people may turn into an uncontrollable mob and do unforeseen great injury to itself and the Nation.

No, sir; so long as our President is doing his utmost he deserves our support, and he will have the support not only of myself and this organization but every particle of influence that I can bring to it. We need no black, no red, and no blue shirts in the United States. We are neither in Italy nor in Germany. The depression will terminate in due time, the jobless will be reemployed, and there is no place for a jobless party or jobless army of any kind in the United States. I would obey and recognize only one army, the Army of the United States. Let us not incite any of our people to disorder or to gang together. Let us help bring out law and order and prosperity. You can do more for the jobless by helping the jobless to get a job than by making them conscious of desperate conditions they find themselves in.

I believe if the church would help get heads of families suffering in the cities to go and settle on a 10-acre tract of land and work it, while such family would not get rich it would be secure in shelter and have ample food.

Nothing the President can do will be as effective as what the person would do for himself, and every organization would be glad to help. I believe even the large insurance companies and other capital will be willing to help, but merely to get together large crowds of people, increase their dissatisfaction with conditions unforeseen, and which everyone is trying to remedy, will result in suffering and in harm; why undertake it?

Congress is trying to do something; let us help them. I do not contend that a certificate of election makes of the average man an all-wise statesman when he comes to Congress. There are great and good men and little and small men in Congress. To descend upon them with large masses is to repeat the European revolutionary experience; what good can it do? It will not teach Congress anything; the great and good men in Congress need no teaching; the small fellow who is playing small, petty, selfish politics while in Congress does not want to learn, and you can teach him nothing; hence what is the use of the marching to Washington? Your last march in the winter has accomplished nothing but suffering.

I very earnestly advise against the contemplated assembling of the unemployed; let us, irrespective of party affiliations, give our President and the constituted authorities our support when it is to the benefit of the Nation by each of us using our personal remedies; we may do just the opposite of what we are trying to do. If you desire to petition the President and Congress, circulate petitions; will be glad to help you, and it can be presented by half a dozen people just as good as by thousands, but it will not do so much harm, for whatever is being contemplated may lead to riots and bloodshed. We want nothing of the kind. Let us be Americans first; let us work for peace, for justice, for right, and for general prosperity, but let us not incite nor excite class animosity nor hatred. Let us all work for the common good of our country. God bless her.

Very respectfully,

J. H. STOLPER,
Lieutenant Colonel,
United States Army Reserve, Retired,
General Counsel and Chairman
National Executive Committee,
American Veterans of All Wars.

MEMORIAL TO WILLIAM JENNINGS BRYAN

Mr. FESS. Mr. President, I ask unanimous consent to report favorably without amendment from the Committee on the Library the joint resolution (S. J. Res. 182) amending the joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan.

The PRESIDENT pro tempore. Without objection, the report will be received.

Mr. WALSH of Montana. Mr. President, this is a matter pertaining to the location of a statue for William Jennings Bryan. An act was passed authorizing the selection of a place in the District of Columbia except in civic parks or on the Mall, and this is simply to strike out "civic parks," according to the recommendation of the chairman of the Commission of Fine Arts.

I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the joint resolution was read, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 3 of the joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial to William Jennings Bryan be, and the same is hereby, amended by striking out the words "or Potomac Park" appearing in the second line of said section, so that section 3, when amended, shall read as follows:

"SEC. 3. The memorial herein provided for shall not be erected or placed in any part of the Mall, nor on any ground within one-half mile of the Capitol."

Mr. WALSH of Montana. I submit a letter from the secretary of the Commission of Fine Arts in explanation of the joint resolution just passed, and I ask that it may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Washington, June 21, 1932.

MY DEAR SENATOR WALSH: The Commission of Fine Arts at their meeting on May 27, 1932, inspected the model of the William Jennings Bryan Memorial authorized to be erected in the National Capital by act approved June 18, 1930, and were well pleased with it. It is a work of Mr. Gutzon Borglum, sculptor, to whom the commission made a few suggestions as to the model in matters of detail.

The William Jennings Bryan Memorial Association, through their representatives, suggested as a site for the statue a plot of ground about 150 feet north of Constitution Avenue near the Lincoln Memorial. The Commission of Fine Arts inspected this location on May 27 and were agreeable to the erection of the statue there, but it was noted in the act of June 18, 1930, that the statue was not to be erected in Potomac Park. The commission was officially advised by Lieut. Col. U. S. Grant, 3d, Director of Public Buildings and Public Parks, that the site selected by

the William Jennings Bryan Memorial Association is in Potomac Park.

Therefore, if Congress will amend the act of June 18, 1930, section 3, so as to strike out the words "or Potomac Park," as is contemplated in Senate Joint Resolution 182, introduced by you, it will be possible to erect the William Jennings Bryan statue at the site in Potomac Park selected by the association. The commission of Fine Arts would concur in this, since, as above stated, the site was favored by the commission at the meeting on May 27.

For the Commission of Fine Arts,
Very respectfully yours,

H. P. CAEMMERER, *Secretary.*

HON. THOMAS J. WALSH,
United States Senate, Washington, D. C.

INVESTIGATIONS BY COMMITTEE ON BANKING AND CURRENCY

Mr. TOWNSEND. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, with an amendment, Senate Resolution 239, and I ask for its present consideration.

The PRESIDENT pro tempore. Without objection, the report will be received and read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 239), the amendment of the committee being in line 5, to strike out "\$50,000" and insert "\$25,000," so as to make the resolution read:

Resolved, That Senate Resolution 84, Seventy-second Congress, agreed to March 4, 1932, hereby is continued in full force and effect until the expiration of the Seventy-second Congress, and the limit of expenditures to be made under authority of such resolution is hereby increased by \$25,000.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution? The Chair hears none. The question is on agreeing to the amendment of the committee.

Mr. NORBECK. Mr. President, I want to call the attention of the Senate to the work which has been done and the condition in which the committee finds itself.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LA FOLLETTE. Was unanimous consent granted for the consideration of the resolution?

The PRESIDENT pro tempore. The Chair so understood, and the resolution is before the Senate.

Mr. NORBECK. Mr. President, the committee has been at work for a couple of months and the problem is big and complicated. We started to investigate Indian motor cycles and later got into matters that ran into hundreds of millions of dollars. We still feel that we have only touched the borders of it.

Mr. Whitney, president of the New York Stock Exchange, admitted that 25,000,000 people lost money in the market crash, and that shrinkage in values amounted to \$50,000,000,000, against which Teapot Dome looks like a very small affair. The problem that looms is, How can we protect the American investors? Under our present system of business, individual ownership of corporations is nearly impossible. We have discovered that when there is collective ownership, many officers of corporations betray their trusts. They sell short their own stocks and take all sorts of advantage of their own stockholders. They cash in and make large profits, and then get out from under. The methods used are many and indeed I think many of them are unlawful.

What we have uncovered leads, for instance, to the matter of tax evasion. The last hearings of the committee have developed that feature.

For instance, we find that Mr. Fox, of the Fox Theater, speculated on his own account in the stock of his own firm. When the market shrank and he lost some three or four million dollars, he had that loss taken over by his company, but in making up his tax return he charged it to himself and deducted that loss from his own income; so there is no doubt that probably half a million dollars of taxes can easily be recovered on the record in that case, and no defense is possible against it, if the man is financially responsible, and he is reputed to be worth \$15,000,000 or \$20,000,000 yet.

We discovered in another case that it is a regular practice to evade taxes by setting up corporations in Canada so that profits can be entered on the books up there, although the business is conducted here. The worst case we have found so far was where a Cleveland firm sent their securities to Canada. The express charges were about \$35,000. They were sent by a New York bank that held the securities as collateral. The bank released them for the purpose of sending them up to Canada to enter them on some books up there in order that a Canadian notary public might certify their presence there, and that the profits might appear to be in Canada instead of the United States. The tax evasion in that case amounted to about \$2,000,000.

There was testimony before the committee indicating that the attorney of the bank had warned them against doing it and said they might be guilty of conspiracy to defraud the United States of taxes. I have not any doubt that recovery in this case can be made. We are opening up a wide field, and I suggest that it is up to the Senate to determine how much of an investigation we are to conduct. I have no complaint to make or criticism to make of the Committee to Audit and Control.

They have done with this resolution only what they have done with practically every other which has come before them; they have cut it in two; but it is up to the Senate whether the committee shall conduct a small investigation or a larger one. Let me say my thought was that the committee should conduct even a larger one than would have been possible perhaps under the resolution as originally introduced, but not with the hope of going into the whole matter. Our attorney stated before the committee that it would require a quarter of a million dollars to go into the whole field and develop it, and it seemed hopeless, even with the prospect of large tax recoveries, to get such authority. Our attention was called to the fact that the New York investigation has cost three-quarters of a million dollars already. However, I want the Senate to know what they are voting on when they vote on the amendment to cut the amount for the committee from \$50,000 to \$25,000. That is all I want to say.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

Mr. SMOOT. Mr. President—

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDENT pro tempore. Unanimous consent was granted for the consideration of the resolution.

Mr. ROBINSON of Arkansas. I understand that, and it ought to be disposed of before we take up something else.

The PRESIDENT pro tempore. The Chair did not understand the Senator from Utah to propose something else.

Mr. SMOOT. Mr. President, I simply desire to ask unanimous consent to submit certain reports from the Committee on Finance to go to the calendar.

Mr. COPELAND. Mr. President, may I inquire what are the reports?

Mr. ROBINSON of Arkansas. Mr. President, I object for the present.

The PRESIDENT pro tempore. Objection is made. The question is on agreeing to the amendment reported by the Committee to Audit and Control the Contingent Expenses of the Senate to the pending resolution.

Mr. PITTMAN obtained the floor.

Mr. JOHNSON. Mr. President, does that amendment cut in half the amount?

The PRESIDENT pro tempore. The amendment proposes to strike out "\$50,000" and insert "\$25,000."

Mr. JOHNSON. Mr. President, I have no desire to interfere at all—

The PRESIDENT pro tempore. The Senator from Nevada has the floor.

Mr. JOHNSON. Will the Senator from Nevada yield to me for a moment?

Mr. PITTMAN. I yield.

Mr. JOHNSON. Mr. President, I have no desire to interfere at all with the endeavor in behalf of economy on the part of the committee nor with any decision that may be

rendered with respect to this matter, but there is no higher duty that can be performed by the Senate than the investigation of the men who brought on the horrible panic and the dreadful cataclysm that this country has witnessed during the past few years. If, as the chairman of the committee says, the country may recover in taxes the sums he indicates, we will be well repaid, and not only repaid generously but the country will be compensated many times over for the amount we appropriate. This, he says, comes from uncovering huge tax frauds from financial magnates who have manipulated the market.

This investigation is one which ought to be prosecuted to the full, with sufficient funds to see that it is carried out in every respect in order that there may be developed all the facts, and developing those facts, then that legislation may be presented which may be necessary to prevent in the future a recurrence of that which we have seen in the past. And the investigation should be prosecuted, even though there be no financial return from tax frauds perpetrated upon our Government.

We have a singular situation that has been shown by the gentlemen who have come before the Banking and Currency Committee thus far. There will be shown undoubtedly, as the chairman indicates, other matters which ought to be disclosed and the discovery of which ought to be made to this country. If it be a fact that those who have much have brought upon the Nation the peculiar catastrophe that now is ours, if they contributed to the human misery that is now about us, it ought to be known, and the individuals who are responsible ought to be held up to public obloquy and scorn. If the chairman of the committee says, from his experience, that double the amount of money is required in order to conduct an investigation which shall accomplish the real purpose of the original resolution that sum should be accorded; and I hope that the amendment of the committee will not be agreed to.

Mr. ROBINSON of Arkansas. Mr. President—

Mr. PITTMAN. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I inquire what amount has been expended by the committee up to date?

Mr. NORBECK. The \$50,000 appropriated has nearly all been expended, but there is enough left so that we can clean up our bills.

Mr. ROBINSON of Indiana. Mr. President—

The PRESIDENT pro tempore. The Senator from Nevada has the floor.

Mr. ROBINSON of Indiana. Will the Senator yield so that I may ask a question of the Senator from South Dakota?

Mr. PITTMAN. I yield.

Mr. ROBINSON of Indiana. I should like to ask the chairman of the committee how much, in his judgment, it will require properly to prosecute this inquiry?

Mr. NORBECK. No one knows what the amount would be; it would be just a wild estimate. I do not think that we have gone into it very far as yet, but I really feel that with an expenditure of another \$50,000 we can get a fair picture of the matter, not with the thought of holding hearings this summer, although the committee is going to be busy, but rather with the thought of keeping the investigators busy and starting hearings again in the fall.

Mr. ROBINSON of Indiana. Is there an effort being made now by other Members to reduce the amount from \$50,000 to \$25,000?

Mr. NORBECK. I had in mind introducing a resolution for \$100,000, but we all realize that such an amount is a large sum in these days; so I introduced it for \$50,000, and the Committee to Audit and Control the Contingent Expenses of the Senate cut it to \$25,000. I do not say that in a critical way.

Mr. ROBINSON of Indiana. Why was that done?

Mr. NORBECK. I do not want to be critical, because that is about what they have done in the case of all other resolutions calling for expenditures that have come before them. I am saying that if this matter is of sufficient importance to the Senate, I just want their attention long enough

so that they may know what they are voting on; and it is up to the Senate to decide whether we shall have \$25,000 or \$50,000 or a larger sum or have none at all. We will do the best we can in any event.

Mr. ROBINSON of Indiana. The Senator introduced the resolution for \$50,000?

Mr. NORBECK. Yes; I certainly would not have introduced the resolution for \$50,000 if I had not thought that was necessary.

Mr. ROBINSON of Indiana. Mr. President, if the Senator from Nevada will yield further—

The PRESIDENT pro tempore. Does the Senator from Nevada yield further to the Senator from Indiana?

Mr. PITTMAN. I yield.

Mr. ROBINSON of Indiana. I am in thorough accord with all that has been said by the Senator from California, except I go further and say that if it can be definitely developed that those who are responsible for the misery that surrounds us on all sides can be identified, then, in my judgment, they should be prosecuted to the full extent of the law.

Mr. FESS. Mr. President, will the Senator from Nevada yield to me?

Mr. PITTMAN. I should like to have a vote on the pending question.

Mr. FESS. Will the Senator yield for a moment?

Mr. PITTMAN. If the Senator desires to make a speech, I do not yield.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

Mr. ROBINSON of Indiana. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. ROBINSON of Indiana. A vote "yea," as I understand, means a vote in favor of reducing the amount to \$25,000. Is that correct?

The PRESIDENT pro tempore. It is. The question is on agreeing to the amendment proposed by the committee. The amendment was rejected.

The PRESIDENT pro tempore. The question recurs on agreeing to the resolution.

The resolution was agreed to.

LOANS TO STATES—SYSTEM OF HIGHWAYS

The Senate resumed the consideration of the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program, and providing a method of financing such program.

The PRESIDENT pro tempore. The question recurs on the amendment proposed by the Senator from Nevada [Mr. PITTMAN]. The Senator from Nevada has the floor.

Mr. PITTMAN. Mr. President, I dislike very much to have the Senate vote on a very important amendment to this bill without anyone knowing what it is except probably the five who assisted in preparing the bill. The bill does not now contain any provisions similar to those in the amendment. The point involved came to our attention even after the bill was reported from the Committee on Banking and Currency. It is a suggestion designed to facilitate action on the loans to self-liquidating corporations. At the present time the Reconstruction Finance Corporation in transacting its business has certain representatives in different sections of the United States. There has been inevitable complaint against the partiality of those representatives of the Reconstruction Finance Corporation in different zones and their lack of knowledge or experience to report on the applications for loans from different sections of the country.

The amendment proposes to set up an advisory board in each of the Federal reserve zones of the United States, the members of which shall serve without pay, and who shall have the experience to enable them to pass on whether or not an applicant for a loan comes within the definition of this bill as being a self-liquidating corporation. It is an exceedingly important matter, as we are going to appropriate

\$1,500,000,000 to be loaned to so-called self-liquidating corporations, to know what is a self-liquidating corporation.

Mr. COUZENS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Michigan?

Mr. PITTMAN. I yield.

Mr. COUZENS. I do not find in the amendment that the board which the Senator proposes to set up will have any binding authority.

Mr. PITTMAN. It is advisory, of course.

Mr. COUZENS. And who is responsible for the loan—the Reconstruction Finance Corporation or this board?

Mr. PITTMAN. No; the amendment does not change the bill at all, except that it attempts to set up an organization in each one of the Federal reserve districts that will respond quickly to the request for information with regard to any applications for loans from the respective districts.

Mr. COUZENS. Mr. President, one objection I have to the amendment is that it divides authority; there is no concrete authority, because under it the buck can be passed from the board to the Reconstruction Finance Corporation. The powers of the Reconstruction Finance Corporation at the present time are, in substance, just what this amendment provides, in that they have themselves set up district agencies to report to them; and yet, so far as Congress is concerned, it places complete responsibility upon the Reconstruction Finance Corporation.

Mr. PITTMAN. I may say that this does, too, if the Senator will read it.

Mr. COUZENS. It legislatively, however, tells them how to go about it.

Mr. PITTMAN. It states this:

And upon receipt by the corporation of an application for a loan under such subdivision it shall be referred to the direct project board for the proper district for examination and report as to whether the project covered by the application is of a class with respect to which loans may be made under such subdivision unless the corporation has in its possession sufficient information upon which to act.

Mr. COUZENS. I understand that, but it is just a duplication, because the Reconstruction Finance Corporation now has agencies set up so far as passing upon applications for loans from the districts throughout the United States is concerned. If a bank in Walla Walla makes an application to the Reconstruction Finance Corporation, they have an agency in that district to pass upon it; they set up their own agency. I do not see why we should do differently in this case.

Mr. PITTMAN. Let us see if this is any different. I will say to the Senator from Michigan that the existing Reconstruction Finance Corporation act is intended chiefly for loans to banks.

Mr. COUZENS. And railroads and others.

Mr. PITTMAN. Yes; but that was the main purpose of it, and, as a matter of fact, their representatives in these zones, as I understand, are very largely able bankers knowing the situation in banking circles, and I suppose knowing the railroad situation, but, if we pass the pending bill, we are dealing not with banks and not with railroads, because this bill expressly provides that those institutions that may now borrow under the Reconstruction Finance Corporation act shall not borrow under this proposed act. We have attempted to define a self-liquidating corporation. No corporation except one dealing with a self-liquidating project can borrow money under this bill.

Therefore, Mr. President, there are three things to be ascertained, as I take it. In the first place, is the corporation making the application within the definition of a self-liquidating project? That involves, as I take it, first a legal question, second an economic question, and third the economic question which probably will turn on an engineering report. They will have to have some one besides a banker in each one of these districts to determine those three questions.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. PITTMAN. Yes. Just let me show you what the board consists of.

Mr. COUZENS. But I wonder how they would get that information if we did not pass this amendment. Of course, they would go about it in the same way, and do it in their own way.

Mr. PITTMAN. That is very probable. I hope they would.

However, Mr. Eugene Meyer might consider that a banker is also an engineer and a contractor and a lawyer. That all depends upon the viewpoint of the man who is appointing.

I regret to say that I do not believe, frankly, that the organization that they now have would facilitate this action. I think it would delay it. Of course, if they did not want to delay it, I will say to the Senator from Michigan, they do not have to refer it. If they say, "We have the information from any outside source," they do not have to refer it; but what I should like to see is this:

In each one of these Federal zones a board consisting of whom? First, a member of the Reconstruction Finance Corporation—I mean, I mean with regard to this particular character of loan. Second, a member of the Stabilization Board. I think it is very essential that a member of the Stabilization Board should be on this board, because, take Mr. Sawyer, for instance. Under an act of Congress he has been studying, surveying, and segregating all of these various works that have been authorized, to determine those that are ready to go and those that are not. I think possibly his study is more valuable than that of anyone else.

So we have a board consisting of a member of the Reconstruction Finance Corporation. To that there would be no objection; but we would be assured that the director of the Stabilization Board was a member of that board, and we would be assured that an engineer to be appointed directly by the President was a member of that board. It is only an assurance, so far as I am concerned, that we would not only have an impartial board but that we would have a competent board to decide the three questions that come up—the legal question, the economic question, and the engineering question.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. COUZENS. If the Senator wants to make any decision they reach mandatory upon the corporation, the same as the decision of the Interstate Commerce Commission is mandatory upon the corporation in railroad loans, I would not object; but I dislike this division of authority.

Mr. PITTMAN. I would not make it mandatory under any consideration.

Mr. ROBINSON of Arkansas. Mr. President—

Mr. PITTMAN. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I was just about to say the same thing that the Senator from Nevada has said. I think that would be utterly impracticable. We would have this condition then: We would have 12 boards making loans, with no power in the central board to coordinate or to limit their activities. The probability is that we would have competition between the board of one district and that of another, and I think that would be subversive.

May I say, while I have the floor, that the amendment of the Senator from Nevada has this value: It makes certain that there will be a measure of impartiality in the loans to be considered by the board. It prevents the possibility of arbitrary action. It promotes prompt decision.

It may be said, as implied by the Senator from Michigan, that the board itself is intelligent, and can set up its own agency, and work questions out according to its own best judgment; and that is the real issue involved in the amendment—whether the Congress wishes to give some direction to the manner in which these loans shall be prepared for consideration by the board.

It would be difficult for a central board here, operating through the present agencies of the board, to pass upon loans of this character. It would be necessary for them to set up other agencies, or add to their existing agencies.

The amendment of the Senator from Nevada impresses me as well worthy of consideration.

Mr. COUZENS. Mr. President, if the Senator will yield, of course I disagree wholly with the conclusion reached by

the Senator from Arkansas in that any direction to the corporation is involved. Apparently it is the intention of the author of the amendment that the Reconstruction Finance Corporation can do as it likes. In the meantime, we have set up a very elaborate agency all over the United States, whose expenses we are going to pay; and for what purpose? For the purpose of giving advice to the Reconstruction Finance Corporation, whether it chooses to accept it or not. In other words, it seems to me an entirely useless appendix to the Reconstruction Finance Corporation if it has no authority whatever.

Remember, I do not approve of the amendment at all, and therefore I do not approve of making the recommendations of this board mandatory upon the corporation. I said that if the Senator wanted to make this effective, he should make it mandatory; otherwise it is just a conflict, a buck-passing arrangement, where there is no absolute responsibility for final conclusions.

Mr. PITTMAN. Mr. President, of course the Senator from Nevada has not any desire to have boards through the country having mandatory control over the corporation, but I believe that there will be thousands of applications for loans under this provision of the bill. I do not desire that all of them shall run back here to Washington to the corporation, because they will flood that building with them. They will come before officers who have not time to consider any of their problems. Some of them will be as hastily and probably as ill-advisedly considered as some of them already have been, not by reason of any fault of the corporation but by reason of lack of time.

It would seem to be very much better, if we take, for instance, the Federal reserve zone out on the Pacific coast, to have the thousands of applications for loans go right into that local board and be segregated, and have those that apparently are not within the scope of this provision at all just thrown out, and have the recommendation come on to the board saying, "Here is a group of applications that have no business under this act." It has the same effect as the appointment of a commissioner of a court to take evidence. The court can not take evidence in hundreds of cases pending. It appoints a commissioner to take the evidence and bring in the facts and make recommendations.

There have not been such numerous loans under the Reconstruction Finance Corporation act as we have it now. There have been very large loans, but only to a comparatively few institutions, because they were limited practically to banks, to railroads, and to trust companies. But if we do enact a provision similar to this, to lend money to municipal and semimunicipal corporations and even private corporations where they are self-liquidating, by building tunnels and bridges and aqueducts and canals, it is inevitable that there will be thousands of applications for loans. It is inevitable that a great majority of those will not come within the definition of this provision of the act at all.

Now, one of two things must be done. Do we want those applications referred back to a banker in San Francisco for that zone, or do we want them referred back, in case of doubt, instantly to a board consisting of an attorney, an engineer, and an appointee of the corporation?

I feel that that board, acting without pay, consisting probably of the ablest men they could find in those professions, would relieve the Reconstruction Finance Corporation of a tremendous lot of work, and facilitate things. I draw the distinction, however, between those loans under the present act and under the provisions of this bill if we pass it; and these provisions will probably pass, because I think a majority are in favor of them. We are going to have confusion, and if we adopt this amendment we will save the Reconstruction Finance Corporation a tremendous lot of trouble. We will facilitate action. We will insure against even the suspicion of favoritism.

It is an entirely different thing from the loans under the present project. We just submit the matter there because it is worthy of consideration. The corporation appoint one

member of this local board. They do that now. If they want to appoint the existing member, they can appoint him. They appoint an engineer, and they appoint an attorney. Those men constitute a reference board which can segregate all of the applications for loans from that particular district. As I say, there is no doubt that two-thirds of them would be thrown out instantly as not coming within the purview of this act at all.

For instance, there might be thousands of applicants who would come in and say, "We want this loan for a school district. We consider a school district a self-liquidating proposition," as was stated the other day, "because we can collect taxes." We know that that does not come within the purview of this act. It is not intended to do so. But are we going to have thousands of those cases piled on top of the Reconstruction Finance Corporation? In every district they ought to be segregated out and separated, the report ought to come back, and they ought to say, "Here are the only ones that come within the purview of this act, right here."

If we do not do that, we will have to take the responsibility of how it comes out.

That is all I have to say.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Nevada.

Mr. WALSH of Montana. Mr. President, I wonder if the Senator from Nevada has not restricted too much the duties of this district board.

The amendment reads:

Upon receipt by the corporation of an application for a loan under such subdivision it shall be referred to the district project board for the proper district for examination and report as to whether the project covered by the application is of a class with respect to which loans may be made under such subdivision.

Mr. PITTMAN. That is all that I had in mind, because I want to segregate those that are clearly within the act and those that are not.

Mr. WALSH of Montana. That would seem to be simply the duty of a lawyer.

Mr. PITTMAN. I do not think that is necessarily so.

Mr. WALSH of Montana. I should think the Senator would want a recommendation from the district board, as well as to the advisability of making the loan.

Mr. PITTMAN. That is done by the Federal board.

Mr. WALSH of Montana. Yes; but the general board would have information about it only as it is given to it by the district board, it would seem to me.

Mr. PITTMAN. Of course, if it is desired to enlarge the board, that is another question. As a matter of fact, the Senator from Michigan [Mr. COUZENS] thinks it is too large now, I take it. I have amended the amendment, although I have not offered it in amended form. I wish to offer it in that form so as to perfect it. Where it says "architect," I wish to strike out "architect" and insert "attorney at law," because I conceive that an architect is not so necessary in these self-liquidating corporations.

The PRESIDENT pro tempore. The Senator has a right to modify his amendment prior to action upon it, and the modification is made.

Mr. PITTMAN. Mr. President, I do not wish to enlarge the matter any more than that. I simply wish to segregate locally applications for loans which are within the purview of this section, separate self-liquidating corporations from those that are not, and have it done by a competent body, which will consist of an attorney in the District, an engineer, and an appointee of the corporation. If Senators do not think the amendment will facilitate the matter, of course, they will not vote for it.

Mr. BINGHAM. Mr. President, I merely want to call attention to the fact that services of members of the boards are so valuable, in the opinion of the Senator introducing the amendment, that he states that the members of such boards chosen from civil life shall serve without compensation.

There is an old saying, coming from many years ago, that the laborer is worthy of his hire. There being no hire pro-

vided, it seems to be implied that the laborer is not doing a job fit for compensation.

Mr. PITTMAN. Mr. President, I would dislike very much to say that about the members of the present boards throughout the country, because they are not receiving any pay.

Mr. BINGHAM. I am not criticizing anybody, but I merely desire to point out that if we expect important and busy people to give a considerable part of their time to an important matter it is worth receiving compensation. If we expect them to serve without compensation, it will mean that a great many of them will be appointees who are looking for something other than proper compensation, and it seems to me that we would be setting up a great mechanical device here, with a large number of boards, some of which are so unimportant that they are printed in small type and one of which is so important that in this amendment it is printed in large type. It is an extraordinary arrangement, and it does not seem to me, with all due respect to my good friend from Nevada, that what he is proposing would do more than complicate the situation with a lot of dollar-a-year people who are not even worth a dollar a year.

Mr. PITTMAN. I am sorry to hear the Senator say that. It happened that he was not a dollar-a-year man, but we had some very good ones here during the war. It happens to-day that the Reconstruction Finance Corporation, in being advised with regard to loans throughout the United States, have established the same kind of districts, but they are dealing purely with the banking problem, and they have some of the ablest bankers in the country who are acting as chairmen of advisory boards without pay.

There are some men in this country who are so interested in the development of the country, so interested in relieving unemployment, that, notwithstanding their high positions, they are willing to give their time to the Government in that kind of work.

Mr. President, I will detain the Senate but a very few minutes longer. I am so totally in disagreement with the Senator from Connecticut that it will not take long to express what I mean.

We are in greater distress in this country to-day than we were during the war. At the time the ablest brains and experts of this country donated their services to their Government; they were not considered incompetent because they were working without salary. We are in a situation to-day far more serious than we were ever in then, and it is to be expected that the ablest experts and statesmen and bankers of this country will give their services to the Government wherever needed, and be happy to do so.

I would not care for advisory boards in these 12 districts if the members would not serve without salaries, and that is the reason why salaries are not provided for.

The corporation has already a representative in every district. It can keep him, under this amendment. It would not have to appoint anyone else. It would result in only two additional men being attached to each board—that is, an engineer of contracting experience and a lawyer. It would insure that the advice they gave would be more nearly impartial, and certainly of greater value.

Mr. COUZENS. Mr. President, I am not finding fault with the Senator's amendment in that respect, but if I am correctly informed, the Reconstruction Finance Corporation now have these boards set up, voluntary boards, occupying their own offices, and without expense to the R. F. C. As I understand, they are doing a very excellent and patriotic work in helping the R. F. C., the same being a governmental agency, not organized for profit.

Yet in this amendment proposed by the Senator he provides 13 agencies, 1 in Washington and 12 others, and all the expenses of those agencies are to be paid by the R. F. C. In other words, it is an invitation for the R. F. C., or these commissions or boards which the Senator would create, to rent offices, to procure office furniture, to install telephones, to employ stenographers and draftsmen and architects and engineers, all for the purpose of collecting information which

the R. F. C. may or may not need. I am not opposed to the Reconstruction Finance Corporation getting adequate information, but I think it is absolutely wrong by legislative enactment to tell that organization that they must set up 13 agencies, with 13 offices, and pay thirteen times office expenses, and other expenses, for the purpose of getting information which may or may not be needed by them.

I think the whole matter ought to be left to the R. F. C. Apparently it has worked out all right so far, and this amendment extends an invitation to them to set up all these agencies, with the usual expenses which go with such organizations.

Mr. PITTMAN. Mr. President, as the Senator says, the R. F. C. already has its boards or commissions established in the 12 districts of the United States, and in more places than that, I may say; and they have their offices already. This amendment would do practically nothing except to insure that there would be added to the boards in the various places attorneys and engineers of satisfactory experience.

Mr. COUZENS. Mr. President, the Senator proposes, however, that all the expenses are to be paid. There is no such provision in the original Reconstruction Finance Corporation act. These boards are occupying their regular offices, they are using their own telephones, they are using their own clerks and their own stenographers. But here the Senator proposes that the Government will now set up another sort of agency, of which the Government will pay all the expenses. It certainly will involve the employment of architects and engineers, and by the amendment proposed by the Senator he invites everybody to come in and come under Government appropriations.

Mr. PITTMAN. Let us see whether it does call for that or not. The Senator says it will result in the employment of engineers and architects?

Mr. COUZENS. Certainly. It says that all expenses of such boards shall be paid, and the Reconstruction Finance Corporation can fix the expenses.

Mr. PITTMAN. But all they are to determine is whether or not the applicants are of a class to which loans should be made.

Mr. COUZENS. That is, they would have to have architects and engineers and draftsmen to determine all those matters, if it is to be handled along the lines the Senator recommends.

Mr. PITTMAN. Do the present boards have engineers to determine those questions?

Mr. COUZENS. It will be up to them to determine whether they want them or not, or whether or not the Army engineers can give them adequate information. I think they ought to be left to their own methods.

Mr. PITTMAN. I understand. This is the situation exactly. One Senator objects because the members of the boards are not to draw big salaries, the other objects because they have the expenses of an office to maintain; but what we have to face is this, that we are going to lend a billion five hundred million dollars of Government money, and if it is not worth the expenses of office rent and stenographers to see that that money is not squandered and wasted and misapplied, then I am entirely wrong.

The PRESIDING OFFICER (Mr. HASTINGS in the chair). The question is upon agreeing to the amendment offered by the senior Senator from Nevada [Mr. PITTMAN].

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Byrnes	Dickinson	Howell
Bailey	Capper	Fess	Hull
Bankhead	Caraway	Fletcher	Johnson
Barbour	Carey	Frazier	Jones
Barkley	Cohen	George	Kean
Bingham	Connally	Goldsborough	Kendrick
Black	Coolidge	Hale	La Follette
Blaine	Copeland	Harrison	Lewis
Bratton	Costigan	Hastings	Logan
Brookhart	Couzens	Hawes	McGill
Broussard	Dale	Hayden	McKellar
Bulow	Davis	Hebert	McNary

Metcalf
Moses
Neely
Norbeck
Norris
Nye
Patterson

Pittman
Reed
Robinson, Ark.
Sheppard
Shipstead
Smoot
Stelwer

Stephens
Thomas, Idaho
Thomas, Okla.
Townsend
Trammell
Tydings
Vandenberg

Wagner
Walsh, Mass.
Walsh, Mont.
Watson

The PRESIDING OFFICER. Seventy-three Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the Senator from Nevada.

The amendment was rejected.

Mr. FLETCHER. Mr. President, I desire to offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 103, at the end of line 5, insert the following proviso:

Provided, That the corporation may make loans under this section to any building and loan association upon its unsecured evidence of indebtedness in States where there is no statutory or implied authority for such association to pledge or assign the notes or mortgages of its borrowing members as security; but in such cases no loan shall be made to any such building and loan association the amount of whose liabilities exceeds 25 per cent of its assets at the date application for such loan is made.

Mr. FLETCHER. Mr. President, very briefly, let me say that paragraph (b) on page 103 limits the operations of the act so that—

No loan shall be made by the Reconstruction Finance Corporation under section 1 of this act to any financial institution, corporation, railroad, or other association or organization of a class to which loans may be made under the Reconstruction Finance Corporation act.

Under that act loans are authorized to building and loan associations, but it has developed that in a number of States the building and loan associations are not authorized or empowered to pledge their securities or to borrow on the strength of their securities. Therefore the amendment belongs here at the end of the paragraph which I have mentioned, because to that extent it modifies the Reconstruction Finance Corporation act and permits building and loan associations, in those States where the laws do not authorize borrowing on their assets and the pledging of their securities, to borrow provided that in such cases no loans shall be made to any such building and loan association the amount of whose liabilities exceed 25 per cent of its assets at the date application for such loan is made. In other words, it makes it possible for the Reconstruction Finance Corporation to loan to building and loan associations in States where they can not make such loans now by reason of an absence of State law. I think this provision ought to go into the bill. There are a few States where that situation exists. By this amendment the Reconstruction Finance Corporation would be authorized to make loans to such association provided their liabilities do not exceed 25 per cent of their assets.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. FLETCHER. I yield to the Senator.

Mr. ROBINSON of Arkansas. Has the Senator information as to what proportion of the building and loan associations would be eligible under the limitation carried in his amendment?

Mr. FLETCHER. This makes them all eligible. They are eligible under the Reconstruction Finance Corporation act now, but there are some States that do not permit the pledging of their assets.

Mr. ROBINSON of Arkansas. I understand that, but the Senator has limited the right to make loans to those associations whose liabilities do not exceed 25 per cent of their assets. My impression is there are very few building and loan associations in the States with which I am familiar that would be eligible to make a loan, because in most cases their liabilities are in excess of 25 per cent of their assets. In other words, I do not believe the amendment would be effective or beneficial to very many building and loan associations.

Then, another thing I want to call to the attention of the Senator is that the fact that the State statute forbids the

use of its assets for collateral on the part of building and loan associations raises a very serious question in my mind whether the amendment ought to be incorporated.

Mr. FLETCHER. It is not so much that the States do not allow borrowing by building and loan associations or that they are opposed to it, but because they have simply failed so far to provide by legislative enactment authority and power in the building and loan associations to make the loans. The States are not opposed to it. I think there is no State anywhere but will amend its laws so as to come within the Reconstruction Finance Corporation act, but that would take two or three years. I did not learn about this situation until recently, when some building and loan associations took up the matter with me because the Reconstruction Finance Corporation had held that under the laws of their States there was no express or implied authority for the building and loan associations to negotiate such loans and pledge their securities. Consequently they were denied a loan.

Mr. ROBINSON of Arkansas. With that state of the law prevailing, what security would the Reconstruction Finance Corporation have for a loan if it were made under the provisions of the Senator's amendment?

Mr. FLETCHER. They would make the loans upon the responsibility of the association, and of course the association itself must be solvent.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Florida a question at that point?

Mr. FLETCHER. I yield to the Senator.

Mr. VANDENBERG. In the event of subsequent liquidation would this be a legal debt in view of the inhibition of the State statute?

Mr. FLETCHER. There is no positive inhibition. There is simply a failure to authorize expressly that sort of transaction on the part of the building and loan associations. There is no inhibition against it. If the State laws prohibited it we could not cure that defect by any legislation here, but the Reconstruction Finance Corporation has said that there is no implied authority to negotiate these loans. I am quite sure that if we authorized the Reconstruction Finance Corporation to make such loans they could obtain security from the associations aside from a pledging of their notes and mortgages and assets. The association itself has a certain responsibility, is perfectly good and sound, and can arrange in a way to satisfy the Reconstruction Finance Corporation. It gives them the opportunity to come in and borrow. That is the purpose of the amendment.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator another question?

Mr. FLETCHER. I am willing to change the percentage as suggested by the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I did not suggest a change in the percentage because I am looking for the security that would be behind the loan if it were made under the amendment. There would be no control over the activities of the building and loan associations. Many of them are in trouble now, as we all know. I sincerely doubt whether very many could be found whose liabilities are not 50 per cent of their assets. I am not suggesting to the Senator to relax the rule and make a loan to an association that can not give any collateral and whose liabilities are approaching the amount of its assets. I think that would be bad legislation.

Does the Reconstruction Finance Corporation recommend the amendment?

Mr. FLETCHER. I have not submitted the amendment to the corporation itself. I have conferred with some agents of the corporation, particularly a very responsible and very excellent one in another State. He suggested the amendment in this way. The building and loan associations seem to favor it.

Mr. ROBINSON of Arkansas. The law now authorizes loans by the Reconstruction Finance Corporation to building and loan associations. There is full freedom, so far as the corporation is concerned, to make loans. I take it the only question that arises is what security should be required or given. I would not feel justified in authorizing a loan to a

building and loan association without some kind of adequate security. Even though it may be entirely solvent at the time of the loan, that is no assurance that it will continue solvent until the loan is paid or collected.

Mr. FLETCHER. I should say this would leave the matter entirely with the Reconstruction Finance Corporation.

Mr. ROBINSON of Arkansas. It is with them now, and that is the very point I am making.

Mr. FLETCHER. I understand that they hold that in certain States they can not obtain any security.

Mr. ROBINSON of Arkansas. That is a very good reason for not making the loan.

Mr. FLETCHER. I mean security in the way of a transfer or actual assignment or pledge of their obligations in the form of mortgages and notes. This amendment would relieve them of the necessity of looking to the specific mortgages and notes or to any assignment or transfer of those notes or mortgages to the Reconstruction Finance Corporation. It provides for their making loans, if the association is perfectly solvent, on the unsecured evidence of indebtedness on the part of the building and loan association, but no such association may apply for a loan if its liabilities exceed 25 per cent of its assets.

Mr. COUZENS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Michigan?

Mr. FLETCHER. I yield.

Mr. COUZENS. I should like to point out to the Senator that building and loan associations that can put up collateral for security have in the past always borrowed from banks, have they not?

Mr. FLETCHER. I presume so, in some States.

Mr. COUZENS. That is true. Now, I desire to point out that under existing law the same building and loan associations can borrow from the banks if the banks think they are good, and the banks, in turn, if they need money can borrow from the Reconstruction Finance Corporation. So, in fact, if a bank does not think a building and loan association is good enough, then certainly the Reconstruction Finance Corporation should not think so. If the bank thinks it is good enough, and the building and loan association needs the money, it can lend to the building and loan association and then borrow from the Reconstruction Finance Corporation with the note of the building and loan association as security.

Mr. FLETCHER. That, I will say to the Senator, is very good reasoning, and if it would work it would be all right; but the Senators know, as we all know, that the banks are not doing these things now; they are really not functioning throughout the country as banks; they are not making this kind of loans or practically any loans in a great many instances. The banks might do what the Senator suggests in some cases, and when we undertook to take care of the banks so far as we could under the Reconstruction Finance Corporation, we supposed they would do exactly what the Senator points out, but they have not been doing it. While we released their frozen assets, as we called them, or as Rogers calls them, "petrified persimmons," they have not as a result of that accommodated their customers as was expected and as we intended they should do.

In the States where no authority exists under the law to pledge their bonds and their notes and mortgages, I do not know whether they have been going to the banks or not, I am not advised as to that; but I do know that the Reconstruction Finance Corporation refuses to make loans to building and loan associations in certain States, and they put their refusal upon the ground that the building and loan associations in those States are not authorized to assign or transfer their notes, their mortgages, and their securities. That is what I am trying to reach by the amendment, so as to take care of the building and loan associations all upon the same footing wherever they may be located, provided, of course, they are perfectly solvent and their debts do not exceed 25 per cent of their assets. Why should they not be eligible to loans? It is a matter for the Reconstruction Finance Corporation to pass on finally, any way, as to

what security they require and what security they will exact. This amendment opens the door for all building and loan associations upon a perfectly safe basis to become eligible for applications for loans, and it is then up to the Reconstruction Finance Corporation to determine whether they can offer the proper security or not. I should like to have this amendment go in the bill, and go to conference, anyway, and see if it can not be worked out.

I did not quite agree with the position taken by building and loan associations in some of the States. I took the question up with them and undertook to combat their views about it, but their counsel held firm. Florida is one of the States concerned, and I even submitted the question to some of the best lawyers in Florida, and they stated that the Reconstruction Finance Corporation was wrong in their point of view. The lawyers there have said that to me, but that does not open any door. The Reconstruction Finance Corporation is advised by their counsel that they can not make these loans because of the lack of authority in the building and loan associations under the laws of the States to assign and transfer and pledge their securities.

This amendment will open the way for building and loan associations thus situated, where they are perfectly solvent, where the loan is perfectly secured, and whose liabilities do not exceed 25 per cent of their assets, to make any other arrangement that the Reconstruction Finance Corporation may exact, except that they may not be required to transfer and assign their mortgages, and that sort of thing. I think the amendment will open the way to accommodate such building and loan associations.

I would not be so insistent about it merely because of the situation in my own State, although we have some very strong and very excellent and splendid building and loan associations there that need accommodation of this kind, but there are other States in the same situation. I think Pennsylvania is one such State, and I believe there are other large States in the same situation. Why not give them a chance to come to the Reconstruction Finance Corporation, make their showing, and if the corporation feels that the loan is perfectly safe empower it to make such loan?

The PRESIDING OFFICER. The question is on the amendment of the Senator from Florida.

Mr. WALSH of Massachusetts. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 103, line 5, after the word "act," it is proposed to insert the following:

Provided, That the corporation may make loans under this section to any building and loan association upon its unsecured evidence of indebtedness in States where there is no statutory or implied authority for such association to pledge or assign the notes or mortgages of its borrowing members as security; but in such cases no loan shall be made to any such building and loan association the amount of whose creditor liabilities exceeds 25 per cent of its assets at the date application for such loan is made.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator from Florida a question?

Mr. FLETCHER. Certainly.

Mr. WALSH of Massachusetts. I have been informed that that provision for such loans as the Senator has in mind by the land banks, so called, and the cooperative banks is contained in the home loan bill, so called. Am I correct in that assumption?

Mr. FLETCHER. I do not quite understand the Senator's reference to the land banks.

Mr. WALSH of Massachusetts. Perhaps I should not have said "land banks," but cooperative banks. I might say they are called cooperative banks in some States and in other States home-loan associations.

Mr. FLETCHER. There are some such provisions in that bill, but I do not know what chance there is of getting it through.

Mr. WALSH of Massachusetts. I was going to ask the Senator if there is any possibility of action being taken upon that bill at this session?

Mr. FLETCHER. I do not think, if that bill should be passed, that the provision which I have offered is included in it.

Mr. WALSH of Massachusetts. I should like to say to the Senator I am informed that even in States where the bank laws are assumed to be very conservative associations of the character referred to are experiencing a good deal of difficulty; that their mortgage loans are frozen; that many of those who have borrowed and given mortgages on their homes are unable to meet the requirements so far as paying interest, and so forth, is concerned. Do I understand from the Senator that this amendment will relieve that condition?

Mr. FLETCHER. I think it would, to some extent, so far as building and loan associations are concerned.

Mr. WALSH of Massachusetts. What is the attitude of those fostering the bill in regard to the amendment?

Mr. FLETCHER. I have not talked to all those sponsoring this bill; I have not spoken to them all; but I have spoken to the Senator from New York [Mr. WAGNER] about it.

Mr. WALSH of Montana. Mr. President, the gentlemen sponsoring the bill have never had an opportunity to confer about the amendment, and I knew nothing about it until it was offered by the Senator from Florida.

Mr. COUZENS. Mr. President, if the Senator will yield, I was going to say that the legislative draftsman has just pointed out to me that this amendment as drawn does not carry out the intent of the Senator from Florida.

Mr. WALSH of Massachusetts. That is the information that has just come to my attention.

Mr. COUZENS. The amendment provides that "the corporation may make loans under this section to any building and loan association," and that refers to section 1 of the act. Section 1 of the act does not provide for any such loans.

Mr. FLETCHER. Yes; there is a provision regarding loans for building and loan associations.

Mr. COUZENS. Not in this bill. I think the Senator ought to withdraw the amendment for the time being to see if the amendment may not be perfected. I should like to see some provision that the liabilities shall never at any time exceed 25 per cent of the assets.

Mr. WALSH of Massachusetts. I hope the Senator from Florida will accept the suggestion of the Senator from Michigan, because I think the purpose of the amendment is a laudable one.

Mr. COUZENS. I hope the Senator from Florida will withdraw the amendment and let us see if we can not put it in perhaps a little better form.

Mr. FLETCHER. The amendment says:

That section 5 of the Reconstruction Finance Corporation act is amended by adding the following at the end thereof:

That was the amendment. I have tried to attach it to this provision on page 103 of this particular bill, which reads:

(b) No loan shall be made by the Reconstruction Finance Corporation under section 1 of this act to any financial institution, corporation, railroad, or other association or organization of a class to which loans may be made under the Reconstruction Finance Corporation act.

The amendment provides that the corporation may make loans to building and loan associations under the conditions stated. I thought it was proper to be inserted there. It would seem to me to belong there, because the provision refers to the Reconstruction Finance Corporation act. I have offered the amendment so that the Reconstruction Finance Corporation may be authorized to make loans to building associations.

Mr. COUZENS. I am advised that the amendment would not be effective at all.

Mr. WALSH of Massachusetts. I inquire if they have any authority already under the general terms of the act?

Mr. FLETCHER. As to the authority to make loans to building and loan associations, I just pointed out a moment ago that the Reconstruction Finance Corporation hold they can not make such loans in States where building and loan associations are not authorized to pledge their assets. This amendment is intended to obviate that difficulty.

Mr. WALSH of Massachusetts. I assume that in practically all the States these associations are not authorized to pledge their assets. Am I correct?

Mr. FLETCHER. The Senator refers to building and loan associations?

Mr. WALSH of Massachusetts. Yes.

Mr. FLETCHER. I think in a majority of the States that is so. The Reconstruction Finance Corporation has made loans to building and loan associations, I am told, in various States; but there are States where they hold they can not make such loans because the law does not permit a transfer of the mortgages of such associations. I am trying to relieve that situation. However, the Senator from Michigan suggested I withdraw the amendment for the time being. I have not consulted with the legislative draftsmen about it.

Mr. COUZENS. I think the Senator has changed a bill which he has introduced and tried to make it apply as an amendment to the pending bill, but he has left out the reference to section 5 of the Reconstruction Finance Corporation act in his amendment. Then, also, in his original bill he provided that the liabilities should not exceed 5 per cent of the assets, but he has increased that to 25 per cent. I think there ought to be a further limitation and that the debts of building and loan associations should not be increased at any time when the Reconstruction Finance Corporation holds any loans of such associations. Will the Senator withdraw the amendment and let us see if we can not get together on it?

Mr. FLETCHER. I withdraw the amendment with that suggestion and will offer it later.

Mr. WALSH of Montana. Mr. President, the Senate was courteous enough last night to have laid aside temporarily an amendment offered by me. I ask now that it may be read to the Senate.

Mr. TYDINGS. Mr. President, will the Senator let me first read an amendment? If there is any discussion, I will withdraw it. I think, however, the particular amendment I am about to offer will probably be agreed to without any debate.

Mr. WALSH of Montana. Very well. I yield to the Senator.

Mr. TYDINGS. Mr. President, I offer the following amendment: At the end of the bill insert a new section to read as follows:

In the employment of labor in connection with any project provided for in this act preference shall be given, where they are qualified, to ex-service men with dependents.

Mr. WALSH of Montana. I hope that amendment will be adopted.

Mr. WAGNER. There is no objection to it, of course.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Maryland to the amendment of the committee.

Mr. COUZENS. Mr. President, should not that be amended so as to incorporate the provision that this work shall be done by hand rather than by machinery, if that is the proper part of the bill for such a provision?

Mr. TYDINGS. Will not the Senator let this amendment go in and offer that as a supplemental amendment later on? I should like to have the principle embodied in the bill that ex-service men with dependents, where qualified, shall have preference.

Mr. COUZENS. I will not object.

Mr. TYDINGS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. WALSH of Montana. Now, Mr. President, I ask to have my amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 112, after line 16, the Senator from Montana proposes to insert a new section to read as follows:

The Reconstruction Finance Corporation is authorized and empowered to make loans to bona fide cooperative financial institutions, organized under the laws of any State or of the United States and having resources adequate for their undertakings, for the purpose of enabling them to finance the carrying and orderly marketing of staple commodities produced in the United States. The Reconstruction Finance Corporation may make any such loan in such manner and upon such terms and conditions as it may determine subject to the limitations of section 5 of the Reconstruction Finance Corporation act as to the periods within which it may make loans and the amounts and maturities thereof, and all such loans shall be fully and adequately secured.

Mr. WALSH of Montana. Mr. President, there is nothing further that I care to say in addition to what was said yesterday in support of this amendment. I am content to have a vote on it.

Mr. KING. Mr. President, I was not here yesterday when there was some discussion in regard to this amendment. I have in mind the fact that many of these so-called cooperatives are now very heavily involved, and are owing the Stabilization Corporation and the Farm Board many millions of dollars. I think the evidence heretofore obtained in some of the hearings disclosed that many of these so-called cooperatives are insolvent. They have the Farm Board with \$500,000,000 to which they may resort, and to which they have resorted. Does the Senator think it would be wise to increase their borrowing capacity and make further drains or drafts upon the amounts which will be carried in this bill?

Mr. WALSH of Montana. Mr. President, the cooperative farm-marketing organizations to which the Senator refers are already taken care of in the Reconstruction Finance Corporation act. They are authorized to borrow. Section 5 of that act provides:

To aid in financing agriculture, commerce, and industry, including facilitating the exportation of agricultural and other products the corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with this act as it may determine, to any bank, savings bank, trust company, building and loan association, insurance company, mortgage loan company, credit union, Federal land bank, joint-stock land bank, Federal intermediate-credit bank, agricultural-credit corporation, livestock-credit corporation, organized under the laws of any State or of the United States.

The Reconstruction Finance Corporation act authorizes loans to be made to the cooperative associations that the Senator has in mind. The bill before us now does not increase the funds for the purpose of making loans to any of these corporations, but the amendment contemplates a still further class of organizations to which loans may be made, namely, financial corporations that are engaged in loaning money for the purpose of carrying and marketing staple commodities other than those provided for in the Reconstruction Finance Corporation act.

Mr. COUZENS. Mr. President, if the Senator will yield, my difficulty is in the interpretation of "staple commodities." I wondered if the Senator wanted to go farther than would be provided if the following words were put in after the word "produced," in line 7, so that it would read:

Marketing of staple commodities produced on the farms of the United States.

Mr. WALSH of Montana. I should not have the slightest objection to that, except that those are already taken care of in the act. It would not add anything to the Reconstruction Finance Corporation act.

Mr. COUZENS. Will the Senator give us an example of what he contemplates taking care of under this amendment?

Mr. WALSH of Montana. The act, it will be observed, authorizes these loans only to agricultural-credit corporations. I can very readily conceive that many of these commodities might get into the hands of dealers who would ordinarily make loans from the banks for the purpose of carrying these commodities until the market was improved, and they could then orderly market them; whereas, under the existing conditions it is represented that the banks are forcing liquidation, and thus these commodities are thrown upon the market, thus depressing the prices. I can very readily conceive that the people having these commodities could organize themselves in a corporation quite like the

agricultural credit corporations for the purpose of making loans to those holding these stocks until they could market them orderly.

Mr. COUZENS. Mr. President, in the case of the agricultural-credit organizations, do not the commodities have a generally quoted market value? If I understand the Senator correctly, however, under his amendment all the automobile dealers of a community could get together and form a cooperative financial institution, and have Buicks and Fords and Packards and Lincolns in their garages, and go and borrow on those products, being staple commodities.

Mr. WALSH of Montana. If they were staple commodities.

Mr. COUZENS. Well, are they staple?

Mr. WALSH of Montana. I should not think that automobiles would be regarded as staple commodities. I think, however, there is considerable obscurity with respect to what would fall under that description.

Mr. COUZENS. I was trying to get that obscurity clarified, because I do not get the purpose of this amendment unless it is to include manufactured articles.

Mr. WALSH of Montana. I do not think so. I indicated a condition in which it would extend to agricultural products, the loans being made to financial institutions that could scarcely be called agricultural-credit companies or associations.

Mr. COUZENS. Let us assume, then, that all the retail merchants of a community got together and created a cooperative organization for the sale of children's clothes and boots and shoes and ladies' gowns, and so forth.

Mr. WALSH of Montana. The Senator will observe that this is for carrying.

Mr. COUZENS. Yes; they could put them all in a warehouse, as I understand, and borrow if it was cooperative. Is it cooperative as to sales or marketing, or is it cooperative as to securing finances? In other words, it seems to me that if it is going to be cooperative as to sales there must be some agreement as to the price at which the goods will be sold.

Mr. WALSH of Montana. Oh, no; the financial institution that can borrow is a financial institution that will loan for the purpose of carrying.

Mr. COUZENS. But in the case of agriculture, of course, they are not styled articles. They are not trade-marked articles. They are not in any sense manufactured goods. They are goods that are quoted on the market at certain rates from day to day; but if the Senator intends to include any staple commodities, manufactured, trade-marked, and other kinds of goods, I am frank to say that I do not know how it is going to work.

Mr. KING. Mr. President, the bill before us is entitled:

A bill to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program.

The amendment which the Senator from Montana [Mr. WALSH] has just offered has many commendable and meritorious features; and yet I shall feel constrained to vote against it, as I have against a number of measures offered yesterday which I thought would open the way for a private corporation to invade this fund and to divert it from the purposes for which it was created.

I have understood that the condition of unemployment was knocking at our door and making an appeal, and I am in entire sympathy with it; and I want to do everything I can in a proper way to aid the unemployment situation, to furnish work to the unemployed, as this bill indicates its purpose is. Yesterday, however, efforts were made—and most of them, I am glad to say, were unsuccessful—to convert it into a loaning bill, into a banking institution to loan to corporations private in character, engaged in private enterprises and private undertakings.

One of the suggestions was to loan for the purpose of opening up a placer mine in California. If we permit bona fide corporations to be formed, if we invite them to come to this fund and invade it, and obtain a portion of it, I do not see where we are going to draw the line. If we are to per-

mit bona fide cooperative financial institutions, organized under the laws of any State, to apply, and successfully apply, for loans from this institution, I do not see where we are going to draw the line.

Of course, we can draw the line, but it will be arbitrary. I feel that we ought to resist all of these efforts to convert this into a banking or credit institution for private corporations. It ought to be an organization for the purpose of aiding unemployment and developing those projects of the Federal Government and States and municipalities which will furnish employment to the people. It does seem to me, however, that we will invite, like a lot of vultures, from every part of the United States, organizations and corporations to come down upon this Reconstruction Finance Corporation and ask for loans; and I am afraid the primary purpose—indeed, the real purpose—for which the bill was passed will be lost sight of in the efforts which will be made and the pressure which will be brought to invade the fund, and to obtain loans in order to aid private enterprises.

Mr. COUZENS. Mr. President, I do not want to delay the Senate, but I think it would be made more definite if there were inserted on line 7 the words "on the farms of," after the word "produced," so that it would read "produced on the farms of the United States."

Mr. WALSH of Montana. Mr. President, I have not the least objection to that, except that it would make the amendment meaningless, because that is already taken care of in the measure.

The PRESIDING OFFICER (Mr. PATTERSON in the chair). The question is on agreeing to the amendment offered by the Senator from Michigan to the amendment of the Senator from Montana.

Mr. JONES. Mr. President, I desire to have a telegram from the mayor of Seattle read.

The PRESIDING OFFICER. Without objection, the clerk will read.

The legislative clerk read as follows:

SEATTLE, WASH., June 20, 1932.

Senator WESLEY L. JONES,
Washington, D. C.:

The following resolution was unanimously adopted at a meeting of the mayors of the municipalities of Washington held in Seattle June 18:

"At a meeting of the mayors of Washington, convening at Seattle June 18, 1932, a resolution was unanimously adopted calling upon our Senators and Representatives in Congress to work for the passage of laws providing for Federal aid to municipalities and for the purchase of productive utility bonds, and approving the principles of Federal aid for public works." They made a further resolution that a copy of this resolution be telegraphed to our delegation in Congress.

JOHN F. DORE,

Mayor of Seattle, Chairman Ways and Means Committee.

Mr. WALSH of Montana. Mr. President, let it not be understood that I accept the amendment.

The PRESIDING OFFICER. The Chair understood the Senator to accept the amendment to his amendment.

Mr. WALSH of Montana. No; I did not. I said I had no objection to it, but that it would destroy the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. COUZENS] to the amendment presented by the Senator from Montana [Mr. WALSH].

The amendment to the amendment was agreed to.

On a division, the amendment as amended was rejected.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment, and ask that the same be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The LEGISLATIVE CLERK. On page 106, line 8, after the figures "\$3,000,000," the Senator from Oklahoma proposes to add the following:

Provided, That the sum of \$100,000 shall be available for the construction of roads, trails, bridges, approach roads, and entrance gates in and to the Platt National Park in Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, this would not increase the amount of the appropriation, and of the \$3,000,000 provided on page 106, in line 8, it would make available \$100,000 for the Platt National Park in Oklahoma.

On page 5 of the report accompanying this bill we find that national parks are given credit in the total sum of \$1,500,000; that is, the whole number of national parks are set aside certain sums of money which total \$1,500,000. The other \$1,500,000 is not definitely allocated. The report states that \$450,000 shall be allocated to the Shenandoah National Park, and over a million to the Great Smoky Mountains National Park. So there is \$1,500,000 which may be used for those two national parks, the Shenandoah and the Great Smoky Mountains Parks.

The Platt National Park in my State has as many visitors, next to the great Yellowstone Park, as any other park. I think it is next in importance, and to date the Platt National Park has had no consideration to speak of. I think the amount of money it takes to run that national institution is about \$15,000 a year. This year we have about a \$15,000 appropriation for improvements in the park. The park has roads, but they are dirt roads, with a little sand here and there, and occasionally a little patch of gravel. It has no bridges, and it has no entrance gates. When one comes to the park he thinks he is entering an abandoned farm, or something of the kind. My amendment aims to make money available for the construction of post roads, bridges, proper gates, and so on.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HAYDEN. Has the Senator consulted the National Park Service, and has any estimate been prepared?

Mr. THOMAS of Oklahoma. Yes; the National Park Service, acting through the local superintendent, in connection with the superintendent here, has detailed plans for the expenditure of more than \$100,000. I think it is about \$135,000 they desire to spend immediately, but of course I could not ask for the money out of the general appropriation bill, out of general taxes. The plans are made, the work is ready to begin, and if the money is made available, much work of the kind that will be of benefit to the unemployed can be done at the Platt National Park, a park which serves 300,000 tourists each year, and which has had but little consideration at the hands of the Government.

Mr. HAYDEN. The Senator asks that a certain specific sum of money be earmarked for this particular park, whereas there is no earmarking in the bill indicating where the \$3,000,000 shall go.

Mr. THOMAS of Oklahoma. That is true, but there is earmarking in the report, and I take it that the authorities who are to spend the money will consider the report submitted by the committee. I simply want to put the Platt National Park along with the list of other national parks for some money out of this \$3,000,000. That is my idea.

Mr. HAYDEN. Will the Senator allow me to look at the report just a moment?

Mr. THOMAS of Oklahoma. Certainly. There are ample funds, and the funds are not allocated. If this bill is to pass, there are not many places in my State where we could get the benefit of public expenditures, and having that national park, serving 300,000 tourists annually, next to the Yellowstone National Park in importance, it occurs to me to be not out of line to ask for this consideration for this national park in Oklahoma.

Mr. HAYDEN. What is the sum the Senator asks?

Mr. THOMAS of Oklahoma. A hundred thousand dollars from this second \$1,500,000. It would not interfere with the allocations in the main itemization. The two parks, the Shenandoah and the Great Smoky, have \$1,500,000, with no definite allocation. I am simply asking that \$100,000 be taken from the second allocation of \$1,500,000, and allocated to the Platt National Park.

Mr. HAYDEN. I may say to the Senator that I can see no serious objection to the adoption of the amendment and taking it to conference, but frankly, I think the place to get the assurance for the expenditure is, as other parks have obtained their assurance, from the department itself.

Mr. WALSH of Montana. Mr. President, if I can, I would like to make an observation along the same line.

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WALSH of Montana. We have pursued the policy of making this lump appropriation, the Park Service to utilize the money wherever in its judgment the need is most imperative and urgent. I should think that the Senator ought to address his application to the Park Service, rather than to the Congress. Obviously, we are in no situation to determine which of these parks or proposed roads ought to participate in this fund, or how much ought to be allocated to each particular park. We have not the information before us that would enable us to act intelligently and justly with respect to that matter, while the Park Service has. Of course, if there had been hearings upon the matter, and the necessities of each of the parks had been elaborated before committees, we would have something upon which to act; but although I have no doubt these roads are necessary, and would be an excellent piece of work, we might be taking away the money from others where the need was more urgent and more imperative.

Mr. HAYDEN. I am aware, Mr. President, that the Platt National Park does have the distinction of being one of the parks that more people visit than almost any other in the United States. Therefore, for the accommodation of the public, the National Park Service naturally would want to see that the proper conveniences were provided in the way of roads, and so on. I can not say to the Senator, frankly, whether erecting an ornamental gate is the way to spend the money. I think the Senator is too particular in his suggestion. If a sum of money were allocated to that park for the accommodation of the public, it would be entirely all right, but to specify not only the amount but exactly how the amounts are to be spent, it seems to me is going a little too far.

Mr. THOMAS of Oklahoma. I am perfectly willing to strike out the provision for the entrance gates, and confine the amendment to roads and bridges in the Platt National Park, as this fund seems to be provided for such things. I ask leave to modify the amendment by striking out the words "and entrance gates."

Mr. HAYDEN. Why could not the Senator simply modify the amendment to provide a certain sum of money for the park, and then leave it, as every other park has left it, to the discretion of the National Park Service?

Mr. THOMAS of Oklahoma. I have no objection to that amendment.

Mr. HAYDEN. And let the matter go to conference.

Mr. THOMAS of Oklahoma. I modify my amendment so as to read, "Provided, That the sum of \$100,000 shall be available for the Platt National Park in Oklahoma."

Mr. HAYDEN. Leave it that way, and we can take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma (Mr. Thomas) as modified.

The amendment was agreed to.

Mr. COUZENS. Mr. President, I send a proposed amendment to the desk, and ask that it be read.

The PRESIDING OFFICER. The clerk will read.

The LEGISLATIVE CLERK. On page 100, line 21, after the word "law," the Senator from Michigan proposes to insert the following: "and are under regulation as to service and rates by State authority."

Mr. WAGNER. Mr. President, will not the Senator explain the amendment?

Mr. COUZENS. Certainly. This applies to section 1, in which it is provided that these loans are to be made "to States, municipalities, and political subdivisions of States, public agencies of States, of municipalities, and of political subdivisions of States, public or quasi-public corporations, and public or quasi-public municipal instrumentalities of one or more States to aid in financing projects authorized under State or municipal law."

Then I propose to add, "and are under regulation as to service and rates by State authority."

Mr. WALSH of Montana. Mr. President, let me remind the Senator that the language "quasi-public," as it appears twice in that paragraph, was stricken out last night, so that it leaves it simply loans to States, municipalities, political subdivisions, and so on, and would not extend to those organizations which are subject to regulation. I see no objection to the amendment.

Mr. WAGNER. One moment.

Mr. COUZENS. I see no objection to it even then, because in line 16 is the expression "public agencies," and I would not know whether that meant separate corporations, or what the interpretation of "public agencies" might be. Certainly there could be no harm in having it provided that any of these agencies which borrow money are regulated as to service and rates by some public regulatory body.

Mr. WAGNER. It may not be what the Senator would deem a public regulatory body. In a city where a bridge is built within the confines of the municipality, the city itself may fix the toll charge to cross the bridge, but it is not a State regulatory body.

Mr. COUZENS. I do not say that. I say, "Under said authority." The language is, "Under State or municipal law and under regulation as to service and rates by said authority"—that is, authority of the State or municipality. It does not say anything about a regulatory body.

Mr. WAGNER. Will not the Senator withhold his amendment until I may have a chance to consider it?

Mr. COUZENS. I would like to have it approved; and then if the Senator objects, I would be glad to have it reconsidered.

Mr. WAGNER. Is it not much easier to lay it aside temporarily? I want to read it and consider it in conjunction with the text. The Senator himself frequently requires a little time to consider a proposed amendment.

Mr. COUZENS. The Senator has not interposed an objection to it?

Mr. WAGNER. No; I have not.

Mr. COUZENS. The amendment can be adopted; and then if the Senator desires to have it reconsidered, I would be glad to consent to its reconsideration.

Mr. WAGNER. Very well; do it in that way.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be reported.

The LEGISLATIVE CLERK. On page 101, line 1, after the word "viaducts," insert the words "natural-gas pipe lines," so as to read:

To private corporations to aid in carrying out the construction of bridges, tunnels, docks, viaducts, natural-gas pipe lines, and waterworks devoted to public use and which are self-liquidating in character.

Mr. HAYDEN. The purpose of the amendment is to take care of a situation where a natural-gas pipe line has been constructed to carry natural gas across State lines in the Southwest—Arizona, New Mexico, and Texas—and to certain of our copper-mining camps. The line is about 500 miles long. The decline in the copper-mining industry has made it so there is no market there for natural gas. It is desired to extend that line 200 miles to Tucson and Phoenix, the two principal cities in Arizona. The nature of the country over which the line is to be built is such that trenching machines can not be used. It is too rocky for the use of such machines. This would mean the expenditure of \$2,000,000, if the loan were made by the Reconstruction Finance Corporation, and would mean putting a thousand men to work with pick and shovel. If the language already in the bill covering bridges, tunnels, docks, viaducts, and waterworks is proper, it would seem that natural gas pipe lines might also be made eligible for loans. That is the purpose of the amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arizona.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Jones	Robinson, Ind.
Barbour	Couzens	Kean	Sheppard
Barkley	Dale	Kendrick	Shipstead
Bingham	Davis	King	Smoot
Blaine	Dill	La Follette	Steiwer
Bratton	Fess	Lewis	Stephens
Brookhart	Fletcher	McGill	Thomas, Okla.
Bulkeley	George	McKellar	Townsend
Bulow	Glenn	McNary	Trammell
Byrnes	Goldsborough	Metcalf	Vandenberg
Capper	Hale	Moses	Wagner
Carey	Harrison	Neely	Walsh, Mass.
Cohen	Hatfield	Norbeck	Walsh, Mont.
Connally	Hayden	Norris	Wheeler
Coolidge	Hull	Oddie	White
Copeland	Johnson	Robinson, Ark.	

The PRESIDING OFFICER. Sixty-three Senators have answered to their names. A quorum is present. The question is on the amendment offered by the Senator from Arizona.

Mr. LA FOLLETTE. Mr. President, I ask that the amendment may be reported.

The PRESIDING OFFICER. The amendment will be reported for the information of the Senate.

The legislative clerk again reported the amendment.

Mr. LA FOLLETTE. Mr. President, I think the Senate should consider what its policy is to be with regard to this bill before it passes upon the amendment. I had judged by the vote which was taken here on amendments offered by the Senator from Montana [Mr. WHEELER] and the junior Senator from Washington [Mr. DILL] that it is not the intention of the Senate to provide loans to public-utility corporations for the purpose of constructing works upon which they would then be able to charge the public rates. Certainly, if the Senate is to be consistent in having adopted the amendment proposed by the junior Senator from Washington [Mr. DILL] and the amendment offered by the junior Senator from Montana [Mr. WHEELER], then the Senate could not accept this amendment, because there is no more justification for loaning money to a private corporation to build a pipe line for the conveyance of natural gas to consumers than there is for making a loan for the purpose of building a power plant or transmission line or an addition to a street-railway or interurban line. The Senate seemed about ready to pass upon the amendment without any consideration, and it was for that reason I suggested the absence of a quorum.

Mr. HAYDEN. Mr. President, I discussed the amendment with the Senator from Washington [Mr. DILL]. He found no objection to it.

Mr. LA FOLLETTE. What is the difference, may I ask the Senator from Arizona, between the loaning of money to this private corporation to build a 200-mile extension of its pipe line and the loaning of money to one of the Insull subsidiaries to build a new power-transmission line in some section of the country?

Mr. HAYDEN. I will answer the Senator from Wisconsin by asking him a question. What is the difference between constructing a natural-gas pipe line and constructing a tunnel or bridge or dock or viaduct or waterworks?

Mr. LA FOLLETTE. There is considerable difference, it seems to me, because what is provided there are utilities that are to be used for a purpose where the customers, if I may use that term, will pay a return upon the investment, and not for the purpose of enabling a public-utility corporation to enlarge its facilities and its plant and equipment.

Mr. HAYDEN. There can be no difference between serving the customers of a waterworks and serving the customers of a gas line. The water company sends its water through a pipe line, and the gas company sends its gas through a pipe line.

Mr. LA FOLLETTE. That is the point I am trying to make about the amendment: If it is the intent of the fram-

ers of the legislation and if it is the intent of the Senate to grant public money to private corporations for the purpose of building plants and equipment upon which they may charge a return to the users thereof, then why should not the amendment be general in its terms and why did the Senate adopt the amendment offered by the Senator from Washington [Mr. DILL] eliminating the words "and similar projects"? There is no more justice in the claim of the Senator's pipe-line company than there could be in the claim of some other public-utility company that wants to borrow money for its purpose.

Mr. HAYDEN. The Senator's argument is directed to another provision of the bill that loans to private corporations to aid in construction of bridges, viaducts, and so on, which are self-sustaining.

Mr. LA FOLLETTE. Precisely. I agree with the Senator, so far as my own point of view may be concerned, that the section should be stricken out; but the Senate has been curtailing and cutting down the scope of that particular provision. The Senator from Arizona proposes to open it up for a particular pipe-line company that is located in his section of the country. What justification will the Senate have for not opening it up and permitting other public-utility corporations located in other sections of the country to get money for similar projects? Therefore it seemed to me the Senate ought to determine what its policy is to be on this question before it adopts the amendment offered by the Senator from Arizona.

Mr. WALSH of Montana. Mr. President, I feel like supporting the objection of the Senator from Wisconsin [Mr. LA FOLLETTE] to this amendment. It is a little difficult to draw the line, but the projects here, for which loans are authorized for the construction of bridges, tunnels, docks, viaducts, and waterworks, are all projects that are utilized by the general public.

A natural-gas pipe line is, of course, under the interstate commerce act, a public carrier, and the public may make use of it; but the number of people who make use of it is ordinarily extremely limited. The general public does not make use of a gas pipe line. I think these things merge into each other, and I rather think this amendment falls on the excepted rather than the admitted side.

Mr. HAYDEN. Mr. President, my concern was this: I saw my opportunity to put at least a thousand men to work with pick and shovel, because trench-digging machines could not be used in that rocky soil, so far as this particular project is concerned. The project, of course, would have to stand the test of being self-liquidating to the satisfaction of the Reconstruction Finance Corporation. I believe it can meet that test; I know of no other similar situation in the United States; and I felt I would not perform my duty here if I did not give people out of work in Arizona an opportunity to do a kind of work that almost any man can do. For that reason I have offered the amendment.

Mr. PITTMAN. Mr. President, I do not think that I have disagreed with the Senator from Montana [Mr. WALSH] on any phase of this measure so far, but I see quite a distinction between this case and others. I would be entirely opposed to opening the door so that public utilities could take advantage of this measure, but the natural-gas industry is a comparatively new industry, that is, in its recent rôle. It tremendously reduces the cost of fuel to the people of this country. It does not occupy the same position at all as the present public-utility companies which are to-day serving the cities and towns of this country. The pipe lines carrying gas are long pipe lines running across the country; many municipalities desire to tap them, and they tap them in most cases in competition, it may be said, with more expensive fuels. The distinction I think is this: Public utilities have franchises from cities in nearly every case. The gas pipe-line system has not obtained a franchise, but is running a trunk pipe line and it desires to enter the municipalities. The municipalities are required under contract to pay for the connecting line. They are in a condition where they can not do so, but they are willing to enter into contracts that the pipe-line companies may enter the cities and munic-

ipalities at their own expense on a fixed rate for gas, which will pay for the expense of building the project.

I can not conceive that this new movement with regard to natural gas, which I say is in competition entirely with other forms of fuel, power, and light, is in the same position as are public utilities.

Mr. WALSH of Montana. This, indeed, Mr. President, is an industry that has developed remarkably in the last few years and has furnished a very large portion of the demand that has been made upon our steel mills during the last 12 months, and it is entitled to encouragement. I wish to submit, however, that, as a rule, the gas carried in the pipes is owned by the same people who install the pipe line. They are, as I said before, obliged to carry gas that is offered by anyone, but, as a rule, they carry their own gas. So the gas pipe line is really not in any very strict sense a public institution. The rates are regulated by the State authorities, but the field in which the rates operate is comparatively narrow. The great bulk of the material carried, as I have indicated, ordinarily belongs to the company that owns the pipe line or to an affiliated company.

As I have said, Mr. President, it would be very difficult to distinguish the gas pipe line from the petroleum pipe line. If the gas carried in the gas pipe line enters into competition with other varieties of fuel, as it does, as a matter, of course, so does the crude petroleum carried in pipe lines; and I do not imagine that we are quite prepared to go into the making of loans to the owners of oil pipe lines for the purpose of promoting the installation of improvements of that character.

Mr. PITTMAN. Will the Senator yield?

Mr. WALSH of Montana. Yes.

Mr. PITTMAN. I thoroughly agree with the Senator in regard to the oil pipe lines, but to my mind there is a great distinction between the two. The oil pipe lines are used by oil companies to market their products. The general public do not utilize them. It is simply a retail business. At present, as I said before, the development and the attempt to develop the use of natural gas, which is probably the cheapest fuel in the world, is aiding communities and municipalities and individuals in the reduction of the cost of living.

The gas pipe lines, unlike the oil pipe lines, are not just simply for the purpose of transporting a fuel for retail throughout the country, but they are approaching with natural gas all municipalities, with the idea that the municipalities may obtain gas cheaper for general distribution than they can at the present time get artificial gas or electricity. I believe that there is involved competition; and I believe it is something that we should aid in introducing into this country as fast as possible.

Now, we have reached the point where these pipe lines have been built in the vicinity of cities, villages, and communities for the purpose of having those municipalities tap them, but the municipalities happen to be without funds to do it at the present time. Therefore they can not tap them. This amendment proposes that the pipe-line company shall be able to borrow money so as to tap its main line and run a connecting line into the cities and recover the cost thereby incurred by rates charged for the gas consumed at a fixed sum.

I opposed the suggestion when I first heard it, because I was thinking of electric-light plants, of the power plants which have franchises in cities and which have a fixed business; but I saw in these natural-gas pipe lines a form of competition with monopolies that now exist in the cities. I do not think that gas pipe lines are common carriers to the same extent that the oil pipe lines are. The oil pipe lines are owned by the great Standard companies, but the law requires them to take the oil from the independents; and that oil, in the long run, simply is transported as a railroad company transports commodities to market and is retailed. The gas comes from a certain field and a trunk line runs near cities and municipalities and towns, and those cities, municipalities, and towns are expected to tap it and obtain the gas in competition with other methods of producing light and power and fuel. The mu-

nicipalities are not in a position where they can do it; they have contracted to do it, but they have fallen down, and now these pipe-line companies, if they can get the money to build into the cities at the request of cities or towns or municipalities, will do it. They can not to-day borrow from the banks. The cost of the pipe line into the cities and municipalities would be amortized from the fixed rate which would be charged for the gas that would flow from the distributing lines.

If the amendment had to do with the power companies or the electric-light companies that now exist and which have franchises in the cities, I would oppose it; but I say, to my mind, the amendment would not only aid a new industry, the development of which will cheapen light and fuel to the people of this country, but would give employment to many men in the development of this new industry.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Arizona whether there are gas companies now located in Tucson and Phoenix?

Mr. HAYDEN. There are such companies, and they are required to bring the materials from which the gas is made a tremendous distance. There are neither coal fields nor oil wells in Arizona. The effect of the construction of this natural-gas line is bound to be a reduction in the cost of gas to the consumers.

Mr. LA FOLLETTE. That is the point that I wish to raise. The Senator from Nevada tries to make this amendment seem palatable because it is going to result in competition, but there is no assurance of that at all.

Mr. HAYDEN. We can assure it in the State of Arizona through the State corporation commission that fixes the rates for the sale of gas, and the rates are based upon the cost of production. If that production cost shall be greatly reduced by the introduction of natural gas, it will follow that the rate for gas will be reduced to the consumers.

Mr. LA FOLLETTE. It will follow after a long series of contests before the public utilities commission.

Mr. HAYDEN. That may be true in other States, but it is not true in Arizona. Our commission acts with great promptness.

Mr. LA FOLLETTE. Oh, yes; I am sure of that; but the fact remains, and we can not get away from it, that it is proposed to loan money out of the Treasury of the United States, in effect if not in fact, to a corporation which built a pipe line to take care of certain large industrial consumers, such as copper companies. Now the copper companies are shut down, and those who invested their money in the pipe line are anxious to extend the line to the two cities mentioned, where they may sell for domestic consumption and for manufacturing purposes in those two cities the gas which they are now unable to sell to the copper companies. I want to know, Mr. President, whether the Senate of the United States proposes to adopt that policy with regard to this bill.

Mr. HAYDEN. The test, if the Senator will pardon me, would be to strike out the entire provision that relates to loans to private enterprises for the building of bridges, viaducts, and waterworks, but the test should not necessarily be applied upon this amendment which relates to an activity which, in principle, is the same as a waterworks.

Mr. LA FOLLETTE. Ah, but we have already had a test on the proposition of curtailing and not expanding this provision of the bill, and it was decided by a practically unanimous vote of the Senate. Now the Senator comes in and proposes to open it up. I am opposed to the amendment.

Mr. PITTMAN. Mr. President, the real issue on this subject, I believe, is the issue between the loaning of money to private industry and public works; I do not think there is any question about that. The proponents of the pending bill were in favor of Government works, but not entirely Government works. They were in favor of certain characters of municipal works, and instrumentalities of municipalities, and in aid of certain private corporations.

The proponents of this bill who assisted in drafting it were, as a general thing, opposed to lending money to private

industry because it is illimitable, because it would not be possible to make enough money available, and for the further reason that where there are competitive industries, if we lent to one it would be an unfair act.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Oregon?

Mr. PITTMAN. I yield.

Mr. McNARY. There is a matter that can be disposed of in a moment, and I appreciate the Senator's yielding in order that it may be considered.

I now yield to the Senator from New Jersey.

Mr. KEAN. Mr. President, out of order, as in executive session, I should like to have action on a very important matter. Another judge is to be appointed up in New Jersey. The court calendar is overloaded. The bill has been approved by the committee.

Mr. LA FOLLETTE. Mr. President, in the closing hours of a session of Congress I am opposed to unanimous-consent agreements of this kind to take up matters out of order to pass bills that have passed the House or to confirm nominations.

I know nothing about the situation of the Senator from New Jersey. I have no objection to this particular confirmation, but I have objection to this method of procedure. I therefore am constrained to object.

The VICE PRESIDENT. The Senator from Wisconsin objects.

Mr. PITTMAN. Mr. President, as I was saying, the proponents of this bill are opposed generally to lending money to private industry for the reasons I have stated; and yet the proponents of this bill are very anxious to give as much employment as possible to the unemployed in this country where the lending of the money will be for a beneficial public use, and where it may be so limited by definitions as not to scatter out over all industry.

I want to say that the group of five Senators of whom I was one made every effort, favoring as we did as large an employment as possible on public works, to ascertain what public works were ready or could easily be made ready to be commenced, and those that would not constitute an uneconomic Government investment. In order to do that we naturally called before us, as the very first one, the director of the Stabilization Board, who was appointed under an act of Congress for the purpose of ascertaining what Government works had been authorized by Congress and were ready to be started and employ labor. What happened? He could find only \$100,000,000 worth of post-office buildings on which work could be started at once that would not involve large loss to the Government of the United States.

We had before us General Brown, the Chief of Engineers of the Army, in charge of river-and-harbor work and flood control. He could find only \$45,000,000 in addition to that appropriated that might be used immediately, or very soon, under estimates, and so forth, that would employ labor. He could find only \$15,000,000 that could be used soon for the employment of labor on Government work that was necessary at some time.

The road question had already been gone into thoroughly. The House could find only \$132,000,000 of road work, including roads in forest reserves, Indian reservations, and so forth, that could be commenced immediately, that had been estimated for, and could employ labor.

That amounted to only about \$300,000,000. We put in \$200,000,000 more, making \$500,000,000, for the purpose of anticipating things that might be developed quickly, or to lift out of the Budget things that should not be there.

I know that the Senator from Wisconsin [Mr. LA FOLLETTE] proposes a substitute carrying \$500,000,000 for Government works; but I think we will be a long, long time in getting anything like that amount of work started. As I say, I wish we could find it now, but we could not find it at all through the experts that we brought before us.

When we had gone the limit in the Government works that were ready to start and could be started soon, we

looked around to see how we could help some character of industry that was not a monopoly, that was not well established, that wished to do something for the public use, to do something. We found that there were a number of proposed tunnels under rivers, like the one at New York City; there were a number of bridges proposed; there were a number of canals; and a number of different propositions of that kind whose amortization and repayment were certain by reason of certain fixed charges, and not dependent upon taxation, always having in mind that it was a public use and always believing that it was instituting a new competition to some existing monopoly. That is the reason why we put in this clause about toll bridges, toll roads, aqueducts, and viaducts.

A number of years ago our States and our local governments got away from toll bridges and toll viaducts and toll roads; but the depression in this country, the bankruptcy of States and cities and municipalities, has compelled us to resort not only to the old system but to extraordinary methods; and if the depression lasts much longer, if we are to employ labor, we will find that we will have to go to toll bridges, to toll viaducts, to toll canals, to toll docks. The time will come, of course, when the Government will terminate that condition by condemning these things; but when we start in to study the method of finding economic employment for labor in this country through Government expenditures, it will not do to say, "We will appropriate \$500,000,000" and not know where we are going to spend it.

There is not any difference as to purpose between the Senator from Wisconsin and myself; but I say that we are going to have difficulty in finding an economic place to expend the money that we appropriate. For that reason we took in toll bridges, toll roads, toll viaducts, and these things for which we now have to resort to private capital, although years ago we had abandoned that plan of construction.

Do not cut that out. We need that expenditure. It is a good competitive expenditure. It is economic. It is furnishing transportation in this country that is essential.

When we come down to natural gas, I was opposed to including it at the start; but, to my mind, it was different from an existing power company that was furnishing light in a city. It was different even from an existing gas company that was furnishing gas in a city, which was established, and had a franchise. Here was a new industry that was picking up the cheapest fuel in the world and carrying it thousands of miles, across State after State, past city and village and municipality, which was waiting to be tapped to reduce the expenses of the people, but which could not be tapped because of the bankruptcy of cities and municipalities. There is no question but that the rates and rentals of this gas will pay for the connecting lines, but the banks will not lend the money, and I think the money should be lent to them for this purpose.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arizona [Mr. HAYDEN] to the amendment of the committee.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Johnson	Robinson, Ark.
Austin	Costigan	Jones	Robinson, Ind.
Bailey	Couzens	Kean	Sheppard
Bankhead	Dale	King	Shipstead
Barbour	Davis	La Follette	Shortridge
Barkley	Dickinson	Lewis	Smoot
Bingham	Dill	Logan	Stelwer
Black	Fess	McGill	Stephens
Blaine	Fletcher	McKellar	Thomas, Idaho
Borah	Frazier	Metcalf	Thomas, Okla.
Bratton	George	Morrison	Townsend
Brookhart	Goldsborough	Moses	Trammell
Bulkeley	Gore	Neely	Tydings
Bulow	Hale	Norbeck	Vandenberg
Capper	Harrison	Norris	Wagner
Caraway	Hastings	Nye	Walsh, Mass.
Carey	Hatfield	Oddie	Walsh, Mont.
Cohen	Hayden	Patterson	Watson
Connally	Hebert	Pittman	Wheeler
Coolidge	Howell	Reed	White

The VICE PRESIDENT. Eighty Senators having answered to their names, there is a quorum present.

The question is on the amendment offered by the junior Senator from Arizona [Mr. HAYDEN] to the amendment, which the Secretary will report.

The CHIEF CLERK. On page 101, line 1, after the word "viaducts," the Senator from Arizona proposes to insert the words "natural-gas pipe lines."

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote on this question, I withhold my vote.

Mr. BRATTON (when his name was called). I have a general pair with the junior Senator from New Hampshire [Mr. KEYES]. In his absence, not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. WATSON (when his name was called). I transfer my general pair with the senior Senator from South Carolina [Mr. SMITH] to the senior Senator from Colorado [Mr. WATERMAN], and vote "nay."

The roll call was concluded.

Mr. JONES. I have a general pair with the senior Senator from Virginia [Mr. SWANSON], which I transfer to the junior Senator from Connecticut [Mr. WALCOTT], and vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. LONG];

The Senator from Minnesota [Mr. SCHALL] with the Senator from Tennessee [Mr. HULL];

The Senator from South Dakota [Mr. NORBECK] with the Senator from West Virginia [Mr. NEELY]; and

The Senator from New Mexico [Mr. CUTTING] with the Senator from Wyoming [Mr. KENDRICK].

The result was announced—yeas 19, nays 52, as follows:

YEAS—19

Ashurst	Coolidge	Hayden	Shortridge
Bankhead	Copeland	McGill	Steiwer
Barkley	Fletcher	Oddie	Thomas, Okla.
Carey	Gore	Pittman	Wagner
Connally	Harrison	Sheppard	

NAYS—52

Austin	Couzens	Jones	Robinson, Ind.
Bailey	Dale	Kean	Shipstead
Barbour	Davis	King	Smoot
Black	Dickinson	La Follette	Thomas, Idaho
Blaine	Dill	Logan	Townsend
Borah	Fess	McKellar	Trammell
Brookhart	Frazier	Metcalf	Tydings
Bulkeley	George	Moses	Vandenberg
Bulow	Goldsborough	Norris	Walsh, Mass.
Capper	Hale	Nye	Walsh, Mont.
Caraway	Hastings	Patterson	Watson
Cohen	Hebert	Reed	Wheeler
Costigan	Howell	Robinson, Ark.	White

NOT VOTING—25

Bingham	Hatfield	Long	Stephens
Bratton	Hawes	McNary	Swanson
Broussard	Hull	Morrison	Walcott
Byrnes	Johnson	Neely	Waterman
Cutting	Kendrick	Norbeck	
Glass	Keyes	Schall	
Glenn	Lewis	Smith	

So Mr. HAYDEN's amendment to the amendment was rejected.

Mr. STEIWER. Mr. President, on behalf of the junior Senator from Wyoming [Mr. CAREY] and myself I offer the following amendment, which I ask to have read.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. On page 102, between lines 13 and 14, the Senator from Oregon proposes to insert the following:

(d) The Reconstruction Finance Corporation is further authorized and directed to create for each of the 12 Federal land-bank districts a regional agricultural credit corporation with a paid-up capital of not less than \$3,000,000, to be subscribed for by the Reconstruction Finance Corporation and paid for out of the unexpended balance of the amounts allocated and made available to the Secretary of Agriculture under section 2 of the Reconstruction Finance Corporation act. Such corporations shall be managed by officers and agents to be appointed by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe. Such corporations are hereby authorized and empowered to make loans or advances to farmers and stockmen, the proceeds of which are to be used in the first instance for an agricultural purpose (including crop production), or for the raising, breeding, fattening, or marketing of livestock, to charge such rates of interest or discount thereon as in their judgment are fair and equitable, subject to the approval of the Reconstruction Finance Corporation, and to rediscount with the Reconstruction Finance Corporation and the various Federal reserve banks and Federal intermediate credit banks any paper that they acquire which is eligible for such purpose. All expenses incurred in connection with the operation of such corporations shall be paid by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe.

Mr. STEIWER. Mr. President, this proposal is a very important one, but is of such a nature that I think I can explain it very briefly to the Senate.

Senators will remember that under the Reconstruction Finance Corporation act \$200,000,000 was made available or will become available to the Secretary of Agriculture for certain agricultural loans defined in that act. From this fund the Secretary of Agriculture has now loaned about \$65,000,000. In a conversation with me yesterday he told me that he anticipates that he might loan or use in collections as much more as \$5,000,000 so that the total which he has expended or will expend out of that fund is something like \$70,000,000.

The occasion for this amendment is that the Federal intermediate-credit banks of the country are now in position to make loans to farmers and to livestock operators, but the loans can not be made because there are no adequate agencies for discounting the paper with the intermediate-credit banks. In many parts of the country, due to failure of banking institutions and due generally to want of capital for this purpose, the local people are not able to organize and capitalize the credit associations necessary to enable the livestock people and the farmers to avail themselves of the facilities offered by the intermediate-credit banks. This amendment proposes merely that the Reconstruction Finance Corporation, under authority really already created and out of funds which will presently be in their hands, may set up or create the requisite agencies. It requires no new money, but it does bring facilities to farmers who now can not avail themselves of the advantages already offered by our Government under existing law.

I believe I have a right to say that the Senator from New York [Mr. WAGNER] is agreeable to the amendment. It was considered in substance before a subcommittee of the Committee on Banking and Currency some time ago, at the time we were dealing with a bill introduced by the Senator from South Dakota [Mr. NORBECK], and it was uniformly supported, I believe, and approved by the subcommittee at that time. I hope there may not be serious objection to it.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Arkansas?

Mr. STEIWER. Certainly.

Mr. ROBINSON of Arkansas. I am in full sympathy with the purposes of the amendment. May I ask what is the meaning of the language in line 8, page 2, "to be used in the first instance for agricultural purposes"?

Mr. STEIWER. That follows the phraseology of the existing law and is a limitation placed upon loans to be made or discounted by the intermediate-credit banks. It was placed there by the Senate drafting board, under my statement to lawyers of the Senate that I had no purpose in enlarging the provision, but rather preferred that we proceed under authority of existing law.

Mr. ROBINSON of Arkansas. One can readily understand, may I say to the Senator from Oregon, the require-

ment that the proceeds of the loan shall be used for an agricultural purpose, but the words "in the first instance" are to me confusing. The Senator's statement has not cleared the matter of the doubt.

Mr. STEIWER. I do not know whether I am competent to answer the question, but I have heard it suggested that the language was so used in order that the farmer might borrow money for the purpose of breeding or raising livestock and then that the note might be rediscounted for any other purpose. In other words, he acquired it in the first instance for an agricultural purpose but subsequently the note might be used for the purposes of the discounting agency.

Mr. ROBINSON of Arkansas. I think the explanation which the Senator has given is even more confusing than the language itself, if the Senator will pardon me for saying so. The requirement that the loan shall be for agricultural purposes is clear and has an accepted meaning. That language is employed in a number of similar acts. But the use of the phrase "in the first instance" is certainly of doubtful significance and, I think, of doubtful value.

Mr. STEIWER. I wish I could tell the Senator more definitely why that language was included. I have no objection to its elimination.

Mr. ROBINSON of Arkansas. If the Senator will yield for that purpose, I shall propose an amendment to his amendment, namely, on page 2, line 8, to strike out the words "in the first instance."

Mr. STEIWER. I will accept the amendment.

The VICE PRESIDENT. The Senator from Oregon modifies his amendment, and the question is on agreeing to the amendment as modified.

Mr. KING. Mr. President, I regret to find myself in disagreement with my friends who are supporting this bill. It seems to me the measure will be destroyed by amendments which are being incorporated within it. The result will inevitably be, if certain provisions are accepted, that either here or in the House or in conference or in the hands of the Executive it will meet defeat. As I indicated a few moments ago, the *raison d'être* for the bill is to help relieve destitution, to furnish employment to those who are without work, to expedite a public-works program, and provide for the financing of the same.

But there seems to be a disposition to pervert the object and purpose of the bill into a Federal banking organization, without the restrictions imposed upon banks, or into a huge loaning agency or instrumentality, largely to aid private corporations with impaired credit or without resources, in order that they may inaugurate profits, industrial or commercial; under the bill, and some proposed amendments, bonds and securities having no market and with uncertain value are to be unloaded upon the Reconstruction Finance Corporation; that is, the Government may, and probably will, sustain enormous losses. It is proposed that the people are to be taxed to create a fund to be loaned to all sorts of private and public organizations, to almost every conceivable corporation that may be formed. It is true that we gloss over some of these projects by saying they will help the farmers. That is a slogan sometimes adopted to secure support of measures of doubtful validity and assured impracticability. This slogan is, of course, very appealing and arouses sympathy and commands no little support.

We voted only a short time ago \$10,000,000 to create a revolving fund for the farmer. The Senator from Georgia [Mr. GEORGE], as I recall, was the sponsor of that measure. Under its terms farmers and stock growers and farm organizations may obtain loans. A few weeks ago we appropriated \$200,000,000 for loans to farmers, and from that fund \$70,000,000, as I am advised, has already been advanced to them. Extensive credits have been made to agriculture. Farm-loan banks have been organized, as well as intermediate-credit banks. The Farm Board was organized and \$500,000,000 placed in its hands to aid the farmers of the United States. Public and private loans have been made to those engaged in agriculture. And so generous has been the credit extended

that the farmers are now owing over \$12,000,000,000. They are the victims, as are millions of our citizens, of a credit system that has placed them in bankruptcy, if it has not enslaved them. Debts, public and private, have a large part in causing the deplorable conditions, economic and industrial, in which the people find themselves.

We have recently increased the taxes, a portion of which is to create the loan fund, and placed it in the hands of the Reconstruction Finance Corporation. We use the taxing power of the Government to obtain money to loan back to the people. It may be justified under some circumstances, but the soundness and wisdom of this course may raise some doubts.

The amendment calls for a vast amount of new machinery. It provides that—

The Reconstruction Finance Corporation is further authorized and directed to create for each of the 12 Federal land bank districts a regional agricultural credit corporation.

There are to be created 12 new corporations, with all the machinery and paraphernalia auxiliary to or connected with those organizations, each with a paid-up capital of not less than \$3,000,000, all to be subscribed for and paid by the Reconstruction Finance Corporation. So far as the bill intends there are to be no stockholders but the Government. It is to be the fountain from which all waters are to flow. The Federal Treasury is to be, in the last resort, the source of this gold supply that is to supply these numerous corporations which in turn are to extend credits to the agriculturists of the United States.

Mr. THOMAS of Idaho. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield for a question.

Mr. THOMAS of Idaho. Just a very brief statement. The Senator is discussing what we are doing to the Treasury of the United States. I might say to him that if we had started 20 or 30 or 40 or 50 years ago to keep the Government out of business, then his argument might be significant; but to-day, when the Government is in business everywhere, certainly the Senator is not going to stand here on the floor of the Senate and say that agriculture is going to be the one exception in America that shall not have some help.

Mr. KING. Mr. President, the question of the Senator from Idaho has been elevated into a speech.

Mr. THOMAS of Idaho. If the Senator will yield further—

Mr. KING. If the Senator wants to ask a question, I shall yield.

Mr. THOMAS of Idaho. I just want to make one further comment.

The VICE PRESIDENT. Does the Senator from Utah yield for that purpose?

Mr. KING. I prefer to yield only for a question, but I yield to the Senator anyway.

Mr. THOMAS of Idaho. The situation in the country to-day is very acute.

Mr. KING. Yes; and the Senator wants to make it more acute.

Mr. THOMAS of Idaho. The object of the amendment is to make it possible for the farmers to get some money. In the present situation, the plans proposed are tending in the right direction, but we have eliminated the one thing necessary to make these funds available to the farmer, and that is to set up the organization so he can borrow money. We are proceeding on the theory that he has the capital to start an organization, but the fact of the matter is he has not the capital, and now we are providing that capital, and that is all there is to it.

Mr. CAREY. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Wyoming?

Mr. KING. I yield.

Mr. CAREY. I think the Senator from Utah has overlooked one very important thing in the amendment, and that is that it does not provide for any additional appropriation. There was provided \$200,000,000 under the Recon-

struction Finance Corporation act, made available to the Secretary of Agriculture for the purpose of agricultural loans, but the Secretary of Agriculture has loaned only \$75,000,000 of that fund. This merely transfers a portion of that unexpended balance for the assistance of these banks.

Mr. KING. Replying to my friend from Idaho, as I understood him, if we sinned 30 or 40 years ago by placing the Government in business, a precedent was established and we must persist in transgression.

Mr. THOMAS of Idaho. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield for a question.

Mr. THOMAS of Idaho. Just one other comment in answer to the statement of the Senator from Utah—and that is that the amendment does not take any further money out of the Treasury. The money has already been authorized to be appropriated for the use of the Reconstruction Finance Corporation. It is money that comes out of the \$200,000,000, or the unexpended balance of the \$200,000,000 which we have already authorized for the Reconstruction Finance Corporation.

Mr. KING. Mr. President, the Senator's position is that this bill in effect commits the Government to policies and activities not authorized by the Constitution, but having transgressed constitutional limitations for many years we are warranted in continuing in our sinful way. That may be logical but it is hardly good in morals, and I do not think it sound morally, politically, or philosophically, or constitutional.

When we are convinced of past constitutional irregularities or of unsound and unwise policies that have been pursued, there should be an inclination to avoid them in the future. We read a great deal in the Scriptures about bringing "forth fruits meet for repentance," and when we have discovered errors, political, economic, or otherwise, it seems to me that the obligation rests upon us to try to avoid those errors in the future.

However, Mr. President, as I was stating a moment ago when the Senator from Idaho interrupted me, this amendment sets up 12 new corporations, it creates additional bureaucratic machinery, and also adds to the long list of more than a million of Federal officeholders. It draws upon the taxpayers of the country for its capital. It calls for taxes to raise money to loan to taxpayers. The destructive power of the Government is to be used not for governmental purposes but for private purposes. I am referring to the bill generally and not alone to the amendment under consideration. Undoubtedly if private corporations and individuals are to be the beneficiaries of this bill, and are to be permitted to indirectly employ the taxing power of the Government for their own ends, then there is greater merit in the plan contemplated by the amendment than can be found in other proposals offered for our approval.

The capital of these 12 corporations is to be supplied by the Government—not the officers of the same. The Government is the banker, the money lender, the agency that must bear all the losses incurred. The officers, managing directors, and agents of the corporations are to be appointed by the Reconstruction Finance Corporation, and it may prescribe the rules and regulations for their conduct.

Mr. President, this measure and the Reconstruction Finance Corporation act will create the most powerful and far-reaching organization ever created by the Government. It seems humanly impossible for it to successfully discharge the crushing duties and responsibilities that will rest upon it. Fortunately men of character and ability have been chosen to administer its affairs.

I am imperfectly attempting to convey the idea that the bill before us should not transcend the object for which it was designed. There is unemployment, and this should be an unemployment measure, not a bill to aid private corporations or to be a market for frozen or unsalable assets.

If we are not prudent, the bill will be broken down. It is an unwise policy to establish the Government as a banker

and money lender and to create the relation of debtor and creditor between the Government and the people.

Mr. President, I concede greater merit in the proposition to loan to agricultural associations than to many of the corporations which it has been suggested would or should be beneficiaries of this bill and receive credits from the Reconstruction Finance Corporation.

I commend to my friend from Idaho the statement, to which I have adverted heretofore, of former Senator Magnus Johnson that the evils from which the farmers as well as the majority of the people of the United States are suffering resulted from too much credit.

Money was too easy to obtain and mortgages and debts and insolvency followed. If the interpretation placed by some Senators upon this measure is adopted, there will be demands from all parts of the United States for loans, and if not denied, the funds to be provided for the Reconstruction Corporation will be diverted from construction activities which will furnish work for the unemployed. Washington will be the Mecca to which will flock representatives of broken down corporations and private organizations that need credit denied them perhaps by banks—but which it is not the province of the Government to supply.

Mr. President, let us keep this bill within the limits for which it was originally designed; let us try to employ it as a means to furnish employment to the unemployed, to construct needed public improvements, including post offices, roads, and river and harbor projects, that may furnish work for the army of unemployed.

Mr. President, I hope this amendment, at least in its present form, will not prevail.

Mr. WALSH of Montana. Mr. President, I agree with the views of the Senator from Utah that we ought to endeavor not to load this bill with extraneous matter so as to make it very objectionable, but if that implies that we have thus far offended in this particular, I am totally unable to agree with the Senator from Utah, for I think he will be unable to point out the particulars in which the bill has been expanded beyond its limits as it came from the Committee on Banking and Currency. The fact about the matter is that practically every effort in that direction thus far has been defeated.

However, Mr. President, this, to my mind, is a very meritorious amendment, and it ought to be adopted. While it does depart from the general purpose of the bill, the bill extends the powers of the Reconstruction Finance Corporation, and this is in line with that course. The Secretary of Agriculture now has at his command \$200,000,000 under the provisions of the Reconstruction Finance Corporation act for the purpose of making loans to farmers for crop production. He conceived, and I dare say it was the correct idea, that that was intended to make a very great number of loans in small amounts to farmers so that they could produce crops, they being unable to secure the usual loans from banks and from other sources available to them in ordinary times. So he has made a rule restricting the loans that may be made to any one individual to \$400. That is perfectly useless so far as the stock interests of the West are concerned. That business is carried on on such a large scale that a loan of \$400 means almost nothing; no man will ask for it at all.

Consequently so far as that branch of agriculture is concerned it gets no benefit whatever from that provision of the law.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Montana yield to me?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Arkansas?

Mr. WALSH of Montana. I yield.

Mr. ROBINSON of Arkansas. An analogous limitation was made in the regulations promulgated by the Secretary of Agriculture to the effect that only four tenants on any one plantation might be beneficiaries of loans, so that on large farms it is impracticable to operate under advances made in accordance with the regulations now enforced by the Secretary, and some such arrangement as this is essential in that particular.

Mr. VANDENBERG. Mr. President, will the Senator from Montana yield for a further question?

Mr. WALSH of Montana. Yes.

Mr. VANDENBERG. Is there any relationship between the rules and regulations of the Secretary of Agriculture and the amount of money at his disposal? In other words, is he undertaking by this limitation to keep the total distribution within the total amount at his command?

Mr. WALSH of Montana. Yes; he so states; but he says to the stock raisers, "Why do you not organize an agricultural-credit corporation and then negotiate your loans with the intermediate-credit banks?" The answer to that is: "We can not do that, because we can not borrow any money from the bank with which to pay for the stock in the agricultural-credit corporation." That is the situation.

In ordinary times the situation would be fully taken care of by the agricultural-credit corporations, but just now they are perfectly useless, because there can not be borrowed from the banks the funds with which to organize agricultural-credit corporations which would make the loans for stock-raising purposes to be negotiated with the intermediate-credit banks, and accordingly the appropriation so very generously made by Congress to aid agriculture affords practically no aid to that branch of it at least.

Mr. BORAH. Mr. President, I should like to ask the Senator from Montana or some other Senator who is interested in the bill a question.

Mr. WALSH of Montana. I yield.

Mr. BORAH. It seems to me that this amendment provides for a top-heavy organization. Is there any necessity, in order to aid the agricultural interests and the livestock interests, of having a corporation in every Federal land-bank district in the United States and having a set of officers and agents drawing, I presume, if we follow the precedent of the Farm Board, exorbitant salaries? It seems to me that the machinery could be simplified very greatly.

Mr. WALSH of Montana. Mr. President, I am not the author of the amendment.

Mr. STEIWER. Mr. President, will the Senator yield to me to make a brief suggestion?

Mr. WALSH of Montana. If the Senator will pardon me for a moment, I want to make this remark, if I may. It is found that it is necessary, in order to carry out the purposes of the act, to have a corporation organized with a very considerable amount of capital, in order to make the loans to accommodate the industry, and it is difficult to organize corporations of that character.

Mr. STEIWER. Mr. President, the purpose of setting up the corporation in the different land-bank districts was to create an entity which under the law would be authorized to rediscount with the Federal intermediate-credit banks. The Reconstruction Finance Corporation could hardly do that if it were merely to appoint agents in different places or appoint an agent in each of the respective land-bank districts. A separate entity will be permitted under the existing law, to take notes and rediscount them and thus have a source of money which is not Government money at all.

Of course the intermediate-credit banks are capitalized by the United States, but they sell their debentures, and this amendment will give the farmers an opportunity to secure credit which is derived from private sources.

Mr. BORAH. I understand all that; but what is the necessity of adding 12 corporations, 12 entities, in order to accomplish that purpose, with 12 sets of officers and 12 sets of agents, all drawing salaries of \$75,000 or so?

Mr. STEIWER. I realize, Mr. President, that such expenses ought to be severely curtailed, but one institution located at a central point can not serve a country of the magnitude of ours. These rediscounting agencies must be closer to the people, closer to the farm.

Mr. BORAH. But there are a number of these districts where the agricultural interests to be taken care of are not extensive, there are only five or six districts, or three or four districts really, where there are any considerable agricultural interests to be taken care of. The other portions

of the country could certainly be taken care of by one corporation.

Mr. STEIWER. There are dairying interests everywhere.

Mr. KING. Mr. President, will the Senator permit me to interrupt him?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Utah?

Mr. STEIWER. I yield.

Mr. KING. I was about to ask the Senator from Oregon why not create an agency in intermediate banks instead of creating all this machinery with a multitude of new officers? The only employment we are going to furnish, it seems to me, under this amendment would be to a lot of officeholders we will never get rid of. The amendment creates relationship between the Government and individuals which is unwise—that of debtor and creditor.

Mr. BORAH. There is a situation which it is desirable to have taken care of, but I have learned a lesson from the activities of the Farm Board. They have created a condition which is a scandal in this country. This amendment has no limitation in it at all with reference to the salaries or anything else.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon.

Mr. CAPPER. Mr. President, I am receiving every day, and I am sure every Senator with farm constituents is receiving, appeals from home for relief from the depression. These letters, it is true, are very much alike. They point to farm prices the lowest in memory, some of them the lowest in recorded history. They point to the fact that taxes have not been reduced in proportion to farm prices. They point to the fact that debts which, when contracted, could be paid with 1,000 bushels of wheat now require 2,500 bushels of wheat to cancel the indebtedness. They point to unpaid taxes, unpaid interest, foreclosures; the farmers of this country are reaching the point of desperation.

Some of these letters point out that the present Congress has enacted legislation designed to save the railroads; designed to protect the insurance companies; designed to save the banking structure. They can not understand why nothing has been done directly to help farm prices. The letters I am receiving do not ask for donations for agriculture; but they do insist that Congress should make the attempt to protect farm prices.

Mr. President, I find myself much in agreement with the farmers who are asking Congress to take action. There are plenty of people in this country in need of foodstuffs; we hear that every day. There are plenty of people in the agricultural States and sections who need the products of manufacture and need them badly.

The Congress has been in session for six and one-half months and apparently has made no attempt directly to relieve agriculture, the basic industry of the Nation. The pending amendment introduced by the Senator from Oregon [Mr. STEIWER] and backed by the farm organizations—and I know of no better authority as to what the farmers of the country want than these organizations—offers some hope of better agricultural prices. I do not believe it will completely solve the problem of farm prices; I believe a revision of our monetary system so that money will become once more a medium of exchange rather than a commodity itself is needed. But this proposal is a step in the right direction. I say that it should be enacted. Thousands of our farmers are loaded up with debts. The plan proposed by the Senator from Oregon will be especially helpful in making it possible for the farmer to finance this year's crop production.

Mr. President, I ask permission to print in the RECORD a number of letters from farmers, showing conditions among and the ambitions of the farmers of the United States:

The PRESIDENT pro tempore. In the absence of objection, it is so ordered.

The letters referred to are as follows:

TOPEKA, KANS., May 24, 1932.

HON. ARTHUR CAPPER,
Washington, D. C.

MY DEAR SENATOR: Much has been done to relieve banks, building associations, railways, etc., but up to the present time nothing

to help the farmer pay interest on his mortgage and his taxes and produce another crop.

Unless and until he receives some aid from our Government, no business in any line can be revived. The fault of this crisis does not rest with the farmer, but because of the fact that what he produces has so small value—brings such a small amount in dollars.

To cite a few items I am familiar with as a landowner: The best hogs here in Topeka only bring \$2.70 per hundredweight; eggs, a few pennies per dozen; butterfat, 13 cents; wheat, corn, and oats, less than the cost to produce; and alfalfa, a standard crop in our valley, \$7 per ton, the price magnanimously set by the State, as they are large buyers for dairy herds at State institutions.

With these conditions prevailing, farmers can not be purchasers of any industrial products. Neither can they receive for what they produce from the land sufficient returns to pay interest and taxes. Hence, the only way for relief, to my mind, is to increase the value of all farm products. The Strong bill to stabilize the dollar will help, but from what I read the Federal reserve bank is opposed to it. They should be relieved of their job.

You are making every effort to "balance the Budget," which is right, of course; but unless Government expenses are very greatly reduced, in another year there will be another Budget to balance.

Congratulate you on your fight for oil tax. Kansas needs it, but that is negligible in comparison with price of all farm products. Surely Congress will not adjourn without rendering aid to the farmers. Should they fail to do so, you will see sad results, as farmers and landowners have carried on to their limit.

I furnish you no news. You know all above, but being familiar with local as well as State conditions myself, wish to add strength to your hands and impress, if possible, the present great need of action that means relief to the farmer before Congress adjourns.

With personal regards, I am

Sincerely yours,

O. P. UPDEGRAFF.

RUSSELL, KANS., May 23, 1932.

Senator ARTHUR CAPPER,
Washington, D. C.

HONORED SIR: Inclosed you will please find an editorial clipped from the Daily Drovers Telegram of May 19, which makes some very startling disclosures. During the week we sold from the farm 120 dozen fine, white-shelled eggs, all handled carefully and infertile, good enough to make up part of a meal of the finest families in the land, and received for them the pitiful sum of \$9.60. We also sold nearly 20 gallons of high-grade cream, for which we received the pitiful sum of \$4.82, or 11 cents per pound for the butterfat content. We have a boy 14 years old, a big strapping fellow, who has completed common school with a record of having never been absent or tardy. He wants to go to high school, and we, his parents, want him to go, but we can not see how it will be possible to send him under the conditions as they now exist. In the event we do send him, we will have to do so at an expense of not more than \$10 cash per month. We live on a good producing farm and attend strictly to business, and find we have to skimp and save and deny ourselves at every turn in order to keep our heads above water, and even at that we know we are better off than millions of other good Americans.

I do not pretend to know how long the masses of America will stand for such tomfoolery, but I do shudder to think what the consequences will be when they do reach the limit of endurance.

Sincerely yours,

JOHN STEPHENS.

HOLYROOD, KANS., June 2, 1932.

Senator CAPPER,
Washington, D. C.

DEAR SENATOR: I have subscribed for the CONGRESSIONAL RECORD, and I am following up the work of Congress with keen interest. I have read some of the exposures of the New York Stock Exchange, and I hope you will likewise push an exposure of the board of trade; so far I have seen nothing of it in the RECORD.

Three months have passed in Congress and no great effort has been made to relieve agriculture, the root of our depression; more credit, of course, has been made available to the farmer, but that is just like giving a drowning man more water. The farmer has too much money borrowed now as it is. Of course, this additional loan will do some good in certain cases, but the farmer must be allowed to make a profit over the cost of production, if he shall ever survive.

The handwriting is on the wall; it is up to Congress to recognize it. So far Congress has failed to give agriculture any effective legislation. When you take the buying power away from 30,000,000 people that represent the farm population of the United States, that is bound to have a ruinous effect on our factories and the labor that is employed in those factories.

I am also a farmer. I have asked many farmers as to how much more money they would have spent in the past year had they money, and the answer ran from \$1,000 to \$5,000.

For instance, you will find this condition amongst the farmers in this community—floor coverings in their homes worn through to the floor; furniture old and worn out; stoves hardly fit to use; walls that need decorating; clothing they are patching and patching up to make them do; shoes likewise; instead of having several pairs they make one pair do; young men instead of buying one

or two suits each year make the old suit do; the family wash machine and the sewing machines worn out but they have no money to buy new ones; and the many other necessities of life the farmer would buy if he had the money.

Most farm buildings need paint; many farmers need new farm machinery, buildings to house their stock and implements properly; and they would buy many luxuries if they had the money. Taking for granted that every farmer would spend \$2,000 for his requirements would create \$60,000,000,000 worth more business for the eastern manufactures and would supply employment for many of the unfortunate jobless people in the eastern cities.

Can not the eastern representatives see this—or do they refuse to see the handwriting on the wall? Whom do they expect to buy their manufactured products if the farmers do not buy them? They very well know the farmers have been crying for an even break for the past 10 years, borrowing and borrowing until now he is at the end of the rope—and no Congress so far has helped the farmer in an effective way. How long would this depression last if the farmer, the cotton and grain farmer alone, would be receiving a reasonable price for their products? If the price of wheat was \$1.25 per bushel it still would be the cheapest food on earth.

Some of the eastern representatives ask us why does the farmer not organize or reduce his production like we do? A farm is not a factory; a farmer can grow farm products only when the good Lord makes them grow—for instance, this community was totally halled out for two years in succession, while other sections were hit by dry weather. The farmer must grow his crop when it will grow.

Well, they say the Government must not get into business. What is a protective tariff? It is nothing more than protection for the industries, or helping them get a better price for their products.

This same protection is what the farmer asks for protection from foreign markets. Set the price of wheat and cotton and many of the other farm commodities would follow the rise in price. Let the farmer carry the surplus is the solution. Every business in the United States is run just that way. They carry the surplus. Other business does not sell their entire production on the bases of their surplus as the farmer is compelled to do to-day. Besides there is no commodity in the whole United States but the farmers' whose price is fixed by a bunch of well-organized gamblers—and the farmer suffers the consequences. This was just recently proven again when the market went up on wheat just a few months ago, and the visible supply was greater than that is now.

Help the farmer as the Government has helped the industries for so many years with the protective tariff by setting the price on wheat and cotton on what is used domestically and let the farmer carry the surplus. This plan would not cost the Government one cent. Ten cents on each bushel consumed in this country would operate the plan—this plan would be much better than letting a bunch of gamblers set the price. They have no other motive than to make millions of dollars for themselves at the expense of the consuming public, with no intended help to the farmer.

With proper legislation a portion of the \$500,000,000 marketing act money, now used to the storing of wheat and cotton, could be returned to the National Treasury. According to the CONGRESSIONAL RECORD the National Treasury could very well use this money at this time.

As I understand it the farm organizations favor this plan of fixing the price of wheat and cotton—and prorate the selling and letting the farmer carry the surplus. I trust you will put your every effort back of such a plan—to save agriculture, which will aid the industries, and help the unemployed out of their distress.

Yours very truly,

C. C. FREVERT.

ST. JAMES, MO., June 14, 1932.

Mr. ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR MR. CAPPER: We, knowing that you are much interested in seeing that agriculture is helped during this serious crisis, and being you are United States Senator from one of the greatest wheat-producing States in the Nation, I know you fully appreciate just what it means to the producers of grain in your State if they are compelled to sell their grain on the present ruinous prices that will hardly give these producers existence.

So I am not going to take up any of your time by writing you at length on this matter, but we notice to-day that they have made new lows on all of the grain markets, and with the statistics as given out by the United States Department of Agriculture we are at a loss to understand just why it is that the administration has thus far been unable to get the Federal Farm Board to take advantage of the opportunity of this crop being cut practically in half, and with the visible decreasing right along, that they have been unable to stabilize this grain on a higher level. It is causing quite a lot of unrest wherever you go and converse with farmers. So, being president of the Phelps County Farmers Association, and knowing the Senate would adjourn shortly, we sent you a day letter as per confirmation inclosed, which we feel confident you will appreciate hearing from us; and we feel satisfied you will endeavor to exert your best efforts to get some of the agricultural commodities turned on an upward trend from this

point, as we have had nothing but down trend in the past three years until our buying power is practically at the zero mark.

With kindest regards, we are, yours very truly,

PHILIPS COUNTY FARMERS ASSOCIATION.
W. S. MILLER, President.

GARDEN CITY, KANS., June 8, 1932.

Our wheat might possibly make 5 or 6 bushels per acre, with millions of small grasshoppers showing up that will possibly harvest it for us, by the looks of it now, as of 1919.

We got to have some way of getting more cash back into our communities. (This means better prices, more money in circulation, and more jobs and more buying.) Congress spent all winter helping bankers and their mistakes; now is the time the Nation should wake up and help the producer on the other end of the string.

JESS BENNETT.

CLAYTON, KANS., June 1, 1932.

There never will be a return to prosperity until the producers get a fair return for their labor. As it is now the farmers and home builders are losing their homes and land all over this Nation, and it is time to stop. But it can not be done by giving more credit to the producers, as it is the credit they have had that is now hurting. Now, see the market the past few days, the speculator shot the price down. You Representatives and Senators can make a budget to balance your account for the Government on the people, but how can the people pay when they can not get cost of what they produce with corn at 20 cents and wheat at 30 cents a bushel. Now, Senator, I know the conditions out here in my territory, and I know a lot of renters who, after they had paid for the cutting and threshing their wheat, did not have enough to pay out that the landlord might get his share. I know some of the farmers out here 18 months ago that were advised to sell their cash wheat and buy the options as it looked like wheat would go higher. It never did go higher, and trying to save themselves they lost all they have, some as much as \$5,000. If some way is not found of getting the money out through the channels of trade, through the producers, in a very short time, all I can say is, God pity this Nation.

W. T. HENDRICKSON.

WAVERLY, KANS., June 6, 1932.

One of our influential farmers has just stated to us the prices he is compelled to take for his farm products this being Mr. H. H. Terry, Waverly, Kans. Cream, 5-gallon can, nets him \$1.54; eggs, 9 cents per dozen; poultry, 8 to 17 cents per pound; hogs, choice, \$2.60 per hundredweight; cattle, \$3.50 per hundredweight; wheat, 40 cents per bushel; oats, 18 cents per bushel; corn, 30 cents per bushel; kafir corn, 20 cents per bushel; hay, \$5 per ton; wool, 6½ cents; horses, \$70.

Agricultural land is selling around \$14 to \$25 per acre in Coffey County. With a high rate of tax and the amount the farmer is receiving for his merchandise this should awaken National and State Representatives to come to our assistance.

W. J. DUFFY,
L. L. COOK.

OBERLIN, KANS., June 2, 1932.

Senator, we are very much concerned about conditions. Our wheat crop in this section of the State is light. If the price of wheat doesn't go up, it won't any more than pay expenses. If we could get a rise in the wheat price, corn prices would naturally follow and in time higher corn prices would reflect in higher hogs and higher cattle. This would help all the farmers.

A substantial rise in the wheat price would do more to bring the country out of the dumps than all the legislation in the world. We are within a few weeks of harvest. The situation is serious. If the farm board is sound and will work out eventually, it will be too late to help a great many farmers. It is imperative that they have this help now. Eggs are selling on the local market for 6 cents a dozen. Corn, 20 cents; butterfat, 11 cents; hens, 5 cents a pound; wheat 36 cents, and hogs \$2.25. Is it any wonder that the farmers are becoming radical?

ELWOOD M. BROOKS.

RECEPTION TO MISS AMELIA EARHART

Mr. BINGHAM obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield to the Senator from Oregon.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Blaine	Capper	Couzens
Austin	Borah	Caraway	Dale
Bailey	Bratton	Carey	Davis
Bankhead	Brookhart	Cohen	Dickinson
Barbour	Broussard	Connally	Fill
Barkley	Bulkeley	Cooldidge	Fess
Bingham	Bulow	Copeland	Fletcher
Black	Byrnes	Costigan	Frazier

George	Kean	Norris	Thomas, Idaho
Goldsborough	Kendrick	Nye	Thomas, Okla.
Gore	King	Oddie	Townsend
Hale	La Follette	Patterson	Trammell
Harrison	Lewis	Pittman	Tydings
Hastings	Logan	Reed	Vandenberg
Hatfield	McGill	Robinson, Ark.	Wagner
Hawes	McKellar	Robinson, Ind.	Walsh, Mass.
Hayden	McNary	Sheppard	Walsh, Mont.
Hebert	Metcalf	Shipstead	Watson
Howell	Morrison	Shortridge	Wheeler
Hull	Moses	Smoot	White
Johnson	Neely	Stelwer	
Jones	Norbeck	Stephens	

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present.

Mr. BINGHAM. Mr. President, we are honored to-day by having in our midst an American whom all Americans delight to honor.

It has always been the proud boast of Americans that they admired and respected and honored courage and enterprise.

Amelia Earhart has the distinction of being the only person who has crossed the Atlantic Ocean twice by airplane. She has the distinction of having been the first woman to cross in an airplane. She has devoted a large part of her life to showing that flying was perfectly safe for women and that there was no reason that a woman should not be a pilot, and a good pilot. Several times she has crossed the continent alone, in her own plane or in an autogiro, in an attempt to promote American aeronautics.

Recently, as everyone knows, she has performed the remarkable exploit of having flown across the Atlantic Ocean alone. She is here for a brief visit, and, I am informed, is at present in the Vice President's room. I am sure that the Members of the Senate would like to meet her and shake her hand and offer their personal congratulations on her splendid achievement.

I move, Mr. President, that the Senate take a recess of 10 minutes for that purpose.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Connecticut.

The motion was agreed to.

The PRESIDENT pro tempore. The Chair designates the senior Senator from Connecticut [Mr. BINGHAM] and the senior Senator from Arkansas [Mr. ROBINSON] to escort Miss Earhart to the Chamber.

The Senate being in recess, Miss Earhart was escorted into the Chamber by Mr. BINGHAM and Mr. ROBINSON, of Arkansas, amid great applause from the floor and the galleries.

Mr. BINGHAM personally presented the Members of the Senate to Miss Earhart, after which she was escorted from the Chamber amid great applause; and, the recess having expired, the President pro tempore resumed the chair.

THE EIGHTEENTH AMENDMENT

Mr. FESS. Mr. President, on yesterday, when the senior Senator from Idaho [Mr. BORAH] made his eloquent address analyzing the Republican platform, and especially one plank of it, the names of two Cabinet members were used in stating, as the Senator understood it, their position on the question of repeal of the eighteenth amendment.

The Senator yielded to me to ask whether he was not mistaken in stating that Postmaster General Brown stood for repeal. I did not raise the question of Secretary Mills, because I had never talked with the Secretary on that particular subject, and did not know precisely what his position would be, other than as expressed in the convention. His position was far from the idea of repeal, as he expressed himself in the convention.

Mr. Mills has made a statement of his position on this question, and it was printed this morning in the Washington Post. Not desiring to occupy time at this stage, when we are all pressed for time, and not desiring to inject any extraneous matter, I would like to have unanimous consent to have printed in the RECORD the statement of Secretary Mills giving his position on the question.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

I am informed that in the course of his discussion of the prohibition plank adopted by the Republican Convention, Senator BORAH stated that for the last six years I had been in favor of the repeal of the eighteenth amendment. Since the Senator has referred to my position, I feel called upon to make a brief statement of my personal views. The Senator has evidently misunderstood my position. While I have not been an advocate of the eighteenth amendment, I have not believed that mere repeal is the solution. On the contrary, I have become more and more convinced that the true remedy is to be found in modifying the eighteenth amendment so as to prevent a return of the conditions which existed prior to the eighteenth amendment, and at the same time stamp out the undeniable evils that exist to-day.

As I stated to the convention, there are two extreme points of view. On the one hand, there are those who would retain the eighteenth amendment and the Volstead law unamended. This, as I understand it, is the position of Senator BORAH. At the other extreme, there are those who would repeal the eighteenth amendment without substituting anything therefor. This, as I understand it, is the position of Dr. Nicholas Murray Butler.

I do not believe that the American people should be limited to the choice of either retaining the existing system or of returning to all of the evils of the liquor traffic. I do not believe that the American people should be limited in their choice to the speak-easy or the saloon.

American statesmanship should be equal to the task of developing a new system which will preserve us from the evils which existed under unlimited State control, and at the same time free us from the grievous difficulties which have arisen under an inflexible prohibitory provision embodied in the Federal Constitution. The plank adopted by the Republican National Convention lays down the broad principles upon which such a solution can be based.

In the first place, it provides correction for the two main weaknesses of the present system; that is, its inflexibility and its departure from one of the fundamental principles of American form of government, namely, the right of local initiative and determination carrying with it a very definite sense of local responsibility. In the second place, it would provide protection for those States electing to remain dry. And, third, it would retain in the Federal Government power adequate to prevent the return of the saloon and its attendant evils in those States whose citizens determine to permit the manufacture and sale of intoxicating beverages.

It is said that the plank is indefinite. Quite the contrary. Its important provisions are set out in clear and unambiguous language. What are they?

First. Submission by the Congress to the people through State conventions duly elected by the people of a new amendment modifying the eighteenth amendment.

Second. The proposed amendment to allow States to deal with the problem as their citizens may determine, subject to the specified powers reserved in the Federal Government.

Third. Reservation in the Federal Government of the power to protect those States where prohibition may exist and safeguard our citizens everywhere from the return of the saloon and attendant abuses.

The broad principles here laid down may be summarized in one sentence—returning to the States initiative, determination, and responsibility, and retention in the Federal Government of sufficient power to attain two specifically named objectives.

Some gentlemen apparently would have had us go farther and submit a proposed constitutional amendment and even a statute carrying out its provisions. But the national convention was adopting a party platform, or declaration of principles. The convention was neither a constitutional convention nor a legislative body. It was not charged with any such duty. It is just as unreasonable to demand that this proposal be written into the platform in the form of an amendment or bill as it would be to claim that when a Republican platform declares in favor of the correction of certain abuses in our banking practices, it should present the exact language of the statutes whereby those abuses are to be corrected.

When the time comes, formulating the new amendment may give rise to differences of opinion as to how best to apply these principles. But I am sure that the Congress can write a constitutional amendment which will restore determination and a sense of responsibility to the States and retain in the Congress power to enact legislation making available Federal authority for the protection of the dry States and preventing the return of the saloon.

Mr. FESS. Mr. President, before I take my seat I want to say that I knew the position of the Postmaster General quite well, because I have talked with him very often on this subject. I have also talked with the Senator from Idaho [Mr. BORAH] on the subject. It has been a matter which has been of considerable concern here in the Capital.

I spoke to the Senator from Idaho after his address, and suggested that he omit the name of the Postmaster General. I thought the rules of the Senate would permit that, as I

had requested it, and what is printed in the RECORD is entirely satisfactory, so far as that goes. But this statement is still in the RECORD:

I will show in a few minutes that Mr. Brown was for repeal in the convention, by showing that the platform is a repeal platform.

Which would indicate that my statement to the Senator that the Postmaster General had stood against repeal was not impressive to the Senator.

The Postmaster General has made a statement, and I am going to read it. He says:

My attention has been called to a statement by Senator BORAH in the Senate to-day in effect that I favor a repeal of the eighteenth amendment and that I so stated in a conversation with him. Senator BORAH is mistaken in both particulars.

It is my practice not to discuss publicly views expressed or statements made in private conversations in which I participate, but since Senator BORAH is evidently willing to have discussed a conversation had by himself, Mr. E. A. Van Valkenburg, of Philadelphia, and myself in Washington a few weeks ago, and since Mr. Van Valkenburg makes no objection, I feel free to state just what occurred.

The purpose of the conference was to discuss the formula of a platform plank for the Republican Party favoring the resubmission of the problem of the liquor traffic. Senator BORAH stated that he was working on a plan for such resubmission, giving to the States the right to determine for themselves whether they would be wet or dry; but that he had not yet found a satisfactory method to make certain that the saloon would not return; that he hoped to complete his plan shortly and present it to the Senate before the Republican convention.

Both Mr. Van Valkenburg and I stated that we were in favor of a revision of the eighteenth amendment and that we believed that Congress could be trusted to frame the text of the proposed amendment. Neither of us favored a repeal of the eighteenth amendment, which would place the problem again precisely where it was in 1918.

At the Chicago convention, as a delegate from Ohio, I voted against the minority report of the committee on resolutions favoring a submission of repeal presented by Senator BINGHAM. I subscribe whole-heartedly to the submission of the formula suggested by the majority report which was adopted by the convention.

I have a statement, sent to me by Mr. Van Valkenburg, who was the third person in that conference. He states:

Postmaster General Brown correctly states what occurred at his meeting with Senator BORAH, at which I was present. Mr. Brown and myself were opposed to naked repeal of the eighteenth amendment and favored modification. Senator BORAH distinctly favored the submission of a plan for restoring the control of the liquor problem to the States if a method to that end could be devised which would protect the dry States and prevent the return of the saloon. He stated he was endeavoring to prepare such a plan around the central idea contained in the proposition theretofore advocated by the distinguished lawyer, William Guthrie, for the modification of the eighteenth amendment. There was no controversy over the proposition that some remedial measure should be submitted for ratification by the States under strictly constitutional procedure to correct the abuses that had grown up under the existing amendment.

I regret that Senator BORAH has made it necessary for me to publicly discuss what occurred at a private conversation.

I read these statements only because the name of the Postmaster General was injected as one standing for repeal. He has always argued to me that repeal would mean chaos unless it were followed by some remedial legislation.

Mr. BORAH. Mr. President, with reference to the able Secretary of the Treasury, it is possible that I was misled as to his position by reason of my ineptitude in understanding the English language. In 1926 the Secretary of the Treasury, who was then in private life, and I had some correspondence, which was public, printed in the New York Times particularly, with reference to the eighteenth amendment and with reference to a referendum which was then being considered in the State of New York. I stated at the time that my view of that referendum was that it proposed a nullification of the eighteenth amendment. I think it may be said that that view has since come to be very generally accepted, that the referendum proposed was in effect a nullification of the eighteenth amendment.

In discussing this question, Mr. Mills went on to state something in regard to the eighteenth amendment itself. I will read a portion of his statement, leave it in the RECORD, and the public may judge how one might easily be misled by this language used by the present Secretary of the Treasury.

In the New York Times of July 26, 1926, page 4, Mr. Mills said that the eighteenth amendment was "an object of scorn and contempt" to millions of patriotic Americans. Naturally I assumed that one who had that view of an amendment would not feel like keeping it in the Constitution, and, unfortunately perhaps, I drew the wrong conclusion from the language used. But he went on to say:

The fundamental question, of course, is whether the eighteenth amendment is to remain a part of the Constitution. There is no room here for a compromise, and ultimately the question will be settled one way or the other by the submission of whichever side proves to be in the minority. But while this is the main—

That is whether it shall remain in the Constitution—

But while this is the main, it is by no means the only, and certainly not the immediate, question. The decision is bound to be long postponed. Even if the eighteenth amendment is repealed, it will take years to do so. No one denies our deplorable situation. What are we going to do about it? "Repeal and begin afresh," says one group, with strict logic on their side.

I assume that that was an approval of those who were insisting upon repeal, and I so construed it at the time.

But this is a matter of years, and in the meanwhile must we live with this festering sore on the body politic?

Whatever else the Secretary of the Treasury may have had in his mind in regard to the eighteenth amendment, his opinion of it was certainly not one of affection. A "festering sore" would be supposed to be something to be removed.

The eighteenth amendment as interpreted and enforced by the Volstead Act has two great antagonistic forces, I may say principles, to contend with, both of which are peculiarly American. The first is the right of the individual to freedom from Government interference with his private life as long as he does not infringe on the rights of others; the second is the principle of home rule, that is, the right of the people of our States and communities to regulate their own affairs in so far as they do not affect our life and interests as a Nation. The first conflict is inherent and unavoidable and in itself is formidable enough to threaten the success of the whole experiment without, in addition, running counter to one of the most deep-seated American political principles.

Mr. President, from that I drew the conclusion that Mr. Mills was opposed to the eighteenth amendment and, as he said, that those who were advocating repeal had "strict logic on their side." I leave that with no further comment. I had no doubt in my own mind as to what the position of Mr. Mills was.

Mr. President, with reference to the Postmaster General, it will be recalled that I did not undertake to state yesterday any conversation that took place between the Postmaster General and myself. When I suggested the proposition that I believed the Postmaster General was in favor of repeal, I did not state any conversation; and when the Senator from Ohio asked me if I wanted to make the statement I had just uttered, I replied that I did, and that I had had a conversation with the Postmaster General. I did not go forward and state the conversation. I was only stating my conclusion. I uttered not a word of conversation between Mr. Brown and myself.

It all turns upon what one considers a repeal. I know that since the adoption of the platform at Chicago there has come to be a finespun theory about repeal. I understand repeal to mean when you have destroyed the fundamental principle in the eighteenth amendment, to wit, the prohibition against the sale of intoxicating liquors. When a man says to me that he is in favor of permitting the States to have the right to sell, which Mr. Brown argued every moment we sat there—

Mr. FESS. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. FESS. The Postmaster General was arguing simply for the right to submit the matter to the people and let them determine whether they wanted this or not.

Mr. BORAH. The Senator from Ohio called out this conversation, and I am willing to put my interpretation of the conversation in the RECORD, and let those believe it who wish and those disbelieve it who wish. I am going to state it as I remember.

Mr. FESS. The Senator is dealing with the conversation he had with Mr. Brown?

Mr. BORAH. I am.

Mr. FESS. I thought the Senator was speaking of Mr. Brown's position.

Mr. BORAH. No; I am speaking of the conversation.

Mr. FESS. I beg the Senator's pardon. I did not understand that.

Mr. BORAH. I said in that conversation that I had been for months undertaking to devise a plan by which to protect the States which wanted to be dry; and secondly, by which to prevent the return of the American saloon. That is precisely what I stated to Mr. Brown.

I said that I had made progress with reference to the question of protecting the States which wanted to be dry, but that I had reached the conclusion that once we legalized the sale of intoxicating liquors in the United States there was no possible way to prevent the return of the American saloon. That is practically word for word what I said. I made it clear that I could see no way to prevent its return.

Mr. Brown replied, "I think you are right. Once we legalize the sale of intoxicating liquors, I do not see how we are going to control the method of selling them." He said, "I expect to see the return of the saloon, and I would rather have it than the present condition of affairs."

Now, I ask whether or not Mr. Brown is in favor of the repeal of the eighteenth amendment? There could not be any sale unless it was repealed. We could not have the saloon unless we did repeal the eighteenth amendment. I drew the conclusion, therefore, unmistakably that he was in favor of the repeal of the eighteenth amendment and setting up what he has in a crude way set up in the platform at Chicago.

As I said a moment ago, it turns on what is considered "repeal." Let me say, too, that I do not find any fault with what Mr. Van Valkenburg said. Substantially it is what took place, but he does not state all the facts. When Mr. Van Valkenburg came to my office the next morning he said, "Senator, Mr. Brown's scheme means the return of the American saloon, and I can not go along with that proposition."

So, Mr. President, there was no question about the view of Mr. Brown as I understood it. There was no question as to the conclusion which we had all reached, that if repeal took place or sale was permitted, in all probability the saloon would come back. It is not very material about what took place. It is perhaps unfortunate even that I said that I had had a conversation with Mr. Brown. It is the only one I ever had. Perhaps I did not understand his language, but I came away from there, and Mr. Van Valkenburg came away from there, with the idea that the sale was to be permitted throughout the United States and that that would inevitably return the saloon to American life.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the joint resolution (S. J. Res. 165) authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House insisted upon its amendments to the concurrent resolution (S. Con. Res. 29) authorizing the printing and distribution of copies of the Federal laws relating to the veterans of various wars, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEVENSON, Mr. LAMBETH and Mr. SHORT were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal

year ending June 30, 1933, and for other purposes; that the House had receded from its disagreement to the amendment of the Senate No. 46 to the said bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had receded from its disagreement to the amendments of the Senate Nos. 14, 15, 30, 56, and 82 to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate; also that the House further insisted upon its disagreement to the amendment of the Senate No. 77 to the bill.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 3847) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and sub-contractors on public buildings, and it was signed by the Vice President.

SUPPLEMENTAL ESTIMATE OF APPROPRIATIONS—HOUSE OF REPRESENTATIVES (S. DOC. NO. 120)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, without revision, a supplemental estimate of appropriation pertaining to the legislative establishment, House of Representatives, for the fiscal year 1933, in the sum of \$25,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

LOANS TO STATES—SYSTEM OF HIGHWAYS

The Senate resumed the consideration of the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Oregon [Mr. STEIWER].

Mr. BORAH. Mr. President, before that is voted on, and if it is not too late, I desire to offer an amendment to the amendment.

The PRESIDENT pro tempore. It is not too late. The Senator may offer his amendment.

Mr. BORAH. On page 1, line 2, I move to strike out the words "and directed" and the words "for each," and insert in lieu of the latter words "in any," and after the word "districts" in line 3 to insert the words "where it may deem the same to be desirable," so that the paragraph would read:

The Reconstruction Finance Corporation is further authorized to create in any of the 12 Federal land bank districts, where it may deem the same to be desirable, a regional agricultural credit corporation,—

And so forth. That removes the directory provision of the bill and leaves it to the judgment of the Reconstruction Finance Corporation to create them wherever it deems necessary.

Mr. CAREY. Mr. President, in the temporary absence of the Senator from Oregon [Mr. STEIWER] I will accept the amendment to the amendment.

The PRESIDENT pro tempore. The amendment will be modified accordingly.

Mr. VANDENBERG. Mr. President, I would like to have the attention of the Senator from Wyoming a moment. I ask his attention to the final sentence in the amendment which charges all of the expenses of the operation of the new instrumentalities to the Reconstruction Finance Corporation. It is not at all clear from the language whether the Reconstruction Finance Corporation has any authority over the expenditures other than the automatic privilege of paying whatever bills are submitted. I suggest to the Senator that it would be substantially strengthening to the situation if the final sentence were amended, on page 2, line 18, after the words "shall be," by inserting the words "supervised and," so that the final sentence would read:

All expenses incurred in connection with the operation of such corporations shall be supervised and paid by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe.

Mr. CAREY. I do not think there is any objection to the amendment. Corporations are set up by the Reconstruction Finance Corporation, and naturally it would have control over their expenditures.

Mr. VANDENBERG. I offer the amendment, and I understand it is agreeable to the Senator from Wyoming.

The VICE PRESIDENT. Let the amendment to the amendment be stated.

The CHIEF CLERK. On page 2, line 18, after the word "be," insert the words "supervised and," so as to make the sentence read:

All expenses incurred in connection with the operation of such corporation shall be supervised and paid by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe.

Mr. STEIWER. Mr. President, that is acceptable to me.

The VICE PRESIDENT. The Senator from Oregon modifies his amendment accordingly.

Mr. ROBINSON of Arkansas. Mr. President, it should be pointed out that the amendment of the Senator from Idaho [Mr. BORAH], which has been accepted and incorporated in the committee amendment, works an important and very material change in the provision. As originally presented, 12 agricultural credit corporations, one for each of the Federal reserve districts, would have been set up, the provision in this respect being mandatory. With the amendment of the Senator from Idaho it is entirely discretionary with the Reconstruction Finance Corporation board as to whether any agricultural credit corporation shall be established for the purposes of the amendment, and clearly may result in sectional discrimination. The point is that one Federal reserve district in the agricultural regions may be provided with the relief contemplated by the amendment while at the same time, if the board so exercises its authority, the same relief or equivalent assistance may be denied to other Federal reserve districts. It is an important amendment and from a practical standpoint I doubt its value.

The VICE PRESIDENT. The question is on the amendment of the Senator from Oregon as modified.

On a division, the amendment was agreed to.

Mr. BLAINE. Mr. President, I offer the following amendment.

The VICE PRESIDENT. The Senator from Wisconsin offers the following amendment, which will be reported.

The CHIEF CLERK. Insert as a new section the following:

The Comptroller General of the United States, who may act personally or through such persons as he may designate or employ, without regard to the civil service laws, shall be the comptroller of the Reconstruction Finance Corporation, with authority to prescribe the accounting system and procedure and administer the same. Payment for such service shall be made out of the funds of the corporation, and salaries of any persons appointed for such purpose shall be fixed in accordance with the classification act of 1923, as amended.

Mr. BLAINE. Mr. President, the amendment speaks for itself. The Senate will appreciate that the corporation, in case the pending bill is passed, will have under its control, as I understand, assets of about \$3,500,000,000 or more. There is no provision made for the auditing of the accounts

of the corporation. There is no business in the United States that can be conducted in a proper way without some system of auditing. The Comptroller General is the auditor for the United States respecting all other undertakings in which the Government has a financial interest, including the administration of the several departments of government. I have drawn the amendment to make the salaries of the employees to be appointed come under the classification act.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. BLAINE. I yield.

Mr. ROBINSON of Arkansas. Does the Senator recall whether there was any provision made for auditing the funds of the Reconstruction Finance Corporation?

Mr. BLAINE. There is no such provision. I attempted to amend the Reconstruction Finance Corporation bill when it was before the Senate, but the amendment which I then proposed was much broader than this and made the Comptroller General the judge respecting the legal availability of corporate funds. I have omitted here that portion of the provision of the amendment which I offered to that bill.

Mr. ROBINSON of Arkansas. This is simply a provision for auditing?

Mr. BLAINE. That is all.

Mr. ROBINSON of Arkansas. I do not see any objection to the amendment.

Mr. WAGNER. I see no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. ASHURST. Mr. President, I move to strike section 8 from this bill, and for the following reason: I believe that all thoughtful persons have reached the conclusion that it is not wise nor just to create any more Federal officials. This section proposes to create a commission to be composed of 5 Members of the Senate, 5 Members of the House, and 9 other members. The nine members, neither from the Senate nor from the House, are to receive salaries of \$3,600 each per year. Each is also to receive his traveling expenses, and in subdivision (c) of this section the commission is authorized to hold hearings, employ stenographers and clerks, appoint subcommissions, and the sum of \$50,000 is proposed for printing, for stationery and messengers, and so forth.

While I do not wish to be labeled as penurious, as cheese-paring, or as penny-pinching, I do not believe that any Senator can give a valid reason why we should create a commission of 5 Senators and 5 Representatives and 9 additional members, with each of the 9 drawing \$3,600 a year with traveling expenses to go about as they see fit, spending public money ab libitum, willy-nilly. I therefore move that the entire provision be stricken out. The provision is as follows:

SEC. 8. (a) A commission is hereby created to be known as the Industrial Commission, and to be composed as follows: 5 Members of the Senate, to be appointed by the President of the Senate; 5 Members of the House of Representatives, to be appointed by the Speaker; and 9 other persons who shall fairly represent the various industries and employments of the United States, to be appointed by the President, by and with the advice and consent of the Senate.

(b) It shall be the duty of the commission to investigate questions pertaining to agriculture, labor, manufacturing, and business, including domestic and foreign commerce, to report to Congress from time to time, and to recommend such legislation by the various States of the Union and the Congress as will harmonize conflicting interests and be equitable to the laborer, the employer, the producer, and the consumer, and which is calculated to revive trade and promote the general welfare. Upon the completion of its investigation the commission shall submit a final report to the Congress.

(c) The commission may hold hearings and, if necessary, it may appoint a subcommission or subcommissions of its own members to make investigations in any part of the United States; and it shall have authority to send for persons and papers, to administer oaths and affirmations, and to incur necessary expenses, including expenses for clerks, stenographers, messengers, rent for place of meeting, and printing and stationery, in an amount not to exceed \$50,000 per annum for the purposes of this subdivision.

(d) The commission shall cease to exist upon the expiration of two years after the date of the enactment of this act. The salary

of each member of the commission appointed by the President shall be at the rate of \$3,600 per annum. Each member of the commission shall be allowed his actual traveling expenses.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from New York?

Mr. ASHURST. I yield.

Mr. WAGNER. I am in agreement with the Senator who makes the motion, but I was going to ask if the Senator will postpone his motion until the junior Senator from Oklahoma [Mr. GORE], who is particularly interested in this provision, shall be present in the Chamber, because it was upon his suggestion that this particular provision was included in the bill?

Mr. ASHURST. Any request the able Senator in charge of the bill should make I would yield to gracefully.

Mr. WAGNER. I am going to vote with the Senator.

Mr. ASHURST. That is an evidence of the Senator's statesmanship.

The VICE PRESIDENT. Does the Senator from Arizona withdraw his amendment?

Mr. ASHURST. I shall let the amendment be pending, to be brought up when the junior Senator from Oklahoma returns to the Chamber.

The VICE PRESIDENT. The amendment will be temporarily laid aside.

Mr. ASHURST. Mr. President, before I surrender the floor, while I do not wish to offer a motion now, I do wish, respectfully, of course, to ask some questions. I shall first ask a question of the Senator in charge of the bill [Mr. WAGNER], for whose learning as a lawyer the Senate has profound respect. It is a public calamity that he is not on the Senate Judiciary Committee, and I hope it may be so arranged that he may be placed upon the Judiciary Committee at an early date.

I inquire of the authors of the bill—and I am addressing myself particularly to the junior Senator from New York—if they are of opinion that under this bill the Reconstruction Finance Corporation is clearly granted the power and authority, in its discretion, to make loans to irrigation districts and to irrigation projects, duly authorized under the laws of any State or of the United States, or to purchase the bonds or other securities of such irrigation districts or irrigation projects organized under the laws of particular States or of the United States?

Mr. WAGNER. My view is that they are included within the provisions of the bill, because, as I understand, they are self-liquidating in character.

Mr. ASHURST. Now, Mr. President, if I may continue my rather unseemly procedure, I ask the senior Senator from Montana [Mr. WALSH] for his opinion on this question, because it is now obvious that later in the life of this bill, if it shall become a law, it is wise to have no misunderstanding on this question. I hope the Senator from Montana will not be offended because I put this bald question to him. I come from a State where we ask questions whenever we desire information. I inquire of the senior Senator from Montana, for whose learning we all have great respect, Is he of the opinion that under this bill the Reconstruction Finance Corporation is clearly granted the power and authority, in its discretion, to make loans to irrigation districts and to irrigation projects, duly authorized and created under the laws of particular States or the law of the United States or to purchase the bonds or other securities of such irrigation districts and irrigation projects so organized?

Mr. WALSH of Montana. Mr. President, I concur in that view expressed by the Senator from New York [Mr. WAGNER], to the effect that irrigation districts, being political subdivisions of the States, could secure loans under the provisions of the bill should it become a law and that the Reconstruction Finance Corporation may bid for the securities of such districts.

The question propounded to me, however, includes irrigation companies as well as irrigation districts. Irrigation companies, of course, are private in character; they would fall under subdivision 2 of section 1, providing for loans to private corporations to aid in the construction of bridges,

tunnels, viaducts, waterworks, and similar projects. That provision has been modified, however, by specifying canals and eliminating the words "similar projects." A private corporation accordingly engaged in the construction of a work of irrigation could borrow for the purpose of constructing canals. My opinion is that that would be the limit of its borrowing capacity.

Mr. ASHURST. I thank the junior Senator from New York and the senior Senator from Montana, and desire to say that their view agrees with mine.

Mr. TYDINGS. Mr. President, I wish shortly to offer a substitute for the pending bill. I do this with a great deal of reluctance, because I know that the Senator from New York [Mr. WAGNER] and his associates have tried to reconcile the conflicting viewpoints and to agree upon a bill which would probably pass the Congress of the United States and be signed by the President.

I, myself, would rather vote for a bill which provided for no loans to private corporations. I do not believe that the Government of the United States should go into the business of financing private concerns, even though their work may be the construction of quasi-public works. We have already gone pretty far in that direction; and if we do not watch out we shall have changed our whole form of government without realizing it, because certainly at this session of Congress, if I am any judge of events, we are going into Russia farther than Russia ever went into herself. The whole policy here is one of state communism, state socialism. We are financing every kind of a venture which can be conceived. Any three Members of the Senate can organize a bridge company and build a toll bridge across the Potomac and get money out of the Federal Treasury with which to do the work. I am for the public-works feature of this bill; I believe it is a fair thing; it is a proper function of government; but when we enter extraneous fields we are treading upon very dangerous soil.

Mr. SHEPPARD. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Texas?

Mr. TYDINGS. I yield.

Mr. SHEPPARD. Inasmuch as the Senator is going to offer a substitute for the entire measure, I want to offer an amendment perfecting the House text.

Mr. TYDINGS. If my substitute shall be voted down, the Senator can do that, but I will ask him to allow me to conclude my remarks, as I have to leave the city, and I am forced to offer my amendment now.

Mr. SHEPPARD. I was afraid I might not be permitted under the rules to offer it later. It will take but a moment to act upon it.

Mr. TYDINGS. I would prefer not to yield at the moment, much as I would like to accommodate the Senator from Texas.

Mr. President, another feature of this bill is that the money which we are going to spend is not going to be distributed evenly over the United States. There is unemployment and need for relief in every county in every State and in every city in the Union. I should like to see a system of roads built, grade crossings eliminated, bridges constructed, tunnels built where they may be needed, but, more than that, I should like to see this Federal relief program spread like the dew over every locality in America, and, if it shall not do that, it will leave large areas of our country with little or no relief at all.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from New York?

Mr. TYDINGS. I yield.

Mr. WAGNER. Is the Senator under the impression that if some large project is constructed in the State of Maryland, then only the immediate community at the site of the construction is benefited by that particular project?

Mr. TYDINGS. Oh, no; but to answer the Senator's question more explicitly let me say, suppose for the sake of the illustration that a billion dollars were appropriated and suppose for the sake of the illustration that 75 per cent of

it were spent in Maryland, I ask the Senator from New York what chance men in California or Montana or in North Dakota would have for getting any of that work?

Mr. WAGNER. That is purely an academic question, because that is not the situation here.

Mr. TYDINGS. What is the situation?

Mr. WAGNER. The projects are distributed all over the country. Where a large project in the city of Baltimore, for instance, is undertaken, first there would be men employed at the site of construction; then there would be given employment to men who work in the factories and in the mines, located in various sections of the country, producing the materials; then all those who are working buy clothes and food, which again puts some one else to work in perhaps other sections of the country. In other words, there is an interdependence, and it is a confined and extremely provincial and narrow view to say that merely those at the site of a particular project are to be benefited by any of these enterprises.

Mr. TYDINGS. There is a great deal of force in what the Senator from New York says, but to carry his logic to its ultimate conclusion he does not care whether any of this money shall be spent in New York or not; it makes no difference whether any of it is spent in the State of New York, because New York will reap the indirect benefits from it. My position is a little more selfish than that. I want to reap my share of the indirect benefits for the State of Maryland; I want to reap my share of the direct benefits for the State of Maryland; I want every other Senator to have the same opportunity, and I do not propose to vote for a measure which affords the unemployed of the State of Maryland less of an opportunity than have the employed in any other State in the Union.

I think if we build roads, for example, and we apportion the money to the States in accordance with the Federal highway act, roads will be built in every county in every State in the Union, and every section will get a portion of it. There is unemployment everywhere; no State has been left outside the effect of the depression; no county has failed to feel the effect of the depression. In 11 States of the Union the school-teachers have not been paid for three months or six months or a year, and in Chicago the police force is not being paid. Therefore I think that in our construction program we should keep in mind the direct absorption of as much of the unemployment as possible as the first measure of relief, and then the spreading of the wages in the stores of the State or the locality where the relief work occurs is the second phase of the relief program. Obviously, to spend all the relief money in one section would help the unemployed to some extent over the whole country, but more important is the fact that it would help primarily the unemployed in the section where the work is being done, and the indirect benefits would be apt to flow to the factories in the vicinity where the work was being executed.

What business has the Federal Government to lend money to a private concern—the A B C Bridge Co. or the D E F Road Co. or the K Y Z Tunnel Co.—whose money is it? It is the money of the taxpayers of this country, who themselves want credit, who themselves want an opportunity to find some one who will finance their business, their enterprises, and help solve their own immediate problems. I am opposed to reaching into the Federal Treasury to lend money to concerns which have no relation whatsoever to governmental functions or activities.

In the early days of the present session we did make some departure. It is a regret of mine that I voted for anything more than relief to the banks which are an arm of the Federal Government, and under the supervision of the Federal Government, more or less directly; but when we go out into the field of financing railroads, insurance companies, and what not, do not let us say we have a democracy any more; it is state socialism. I have no objection to state socialism if the country wants it, but let us go into it frankly and not by halting steps, and do not let us get on the floor of the Senate and condemn the Russian system and stay here day after day and perpetuate

the Russian system in the Government of the United States, for that is exactly what we are doing.

Take a billion dollars' worth of roads: We will spend that much upon highways anyway in the next 10 or 12 years. We will spend this money on roads anyway. That is a normal governmental function for the Federal Government to execute. It will employ as many men as can be employed in any other way on public works. Every county in the State will get its just share. At \$25,000 a mile—and remarkably good roads can be built for that amount of money—40,000 miles of improved highways can be built in the United States with a billion dollars. My own State would get something like six or seven hundred miles of road. The State of Georgia would get 900 miles of road. Those roads would reach over the entire State. They would cover the entire field of America. They would reach every section of the country, and their construction would relieve to some extent the depression everywhere.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from New York?

Mr. TYDINGS. I yield to the Senator.

Mr. WAGNER. Has any such road system been planned, so that all of this money can be put to work immediately in the construction of roads?

Mr. TYDINGS. Why, of course it has been planned. In every State in the Union the State road commissions have roads already planned, have programs which they have recommended for roads which have not yet been built, but which can be built provided the money is available at any time.

Mr. WAGNER. Has the Senator such information at hand to give the Senate?

Mr. TYDINGS. In what respect?

Mr. WAGNER. As to the planning of these particular roads.

Mr. TYDINGS. Yes; I have consulted with the road authorities in my own State. One of them has been recently the president of the American Highway Engineers' Association. They have worked out plans in each of the States for building additional roads if, as, and when the money is available.

Where are the plans for the bridges, where are the plans for the tunnels that are going to be built under the Senator's own bill? May I ask him if his plans have been completed? May I ask him if his bridge plans have been executed? May I ask him if his companies in all cases have been formed.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland further yield to the Senator from New York?

Mr. TYDINGS. Yes; I yield.

Mr. WAGNER. Of course the question of private companies is only a very minor portion of this whole legislation, and yet the Senator seems to emphasize that particular phase of this bill. The primary object is to help States and municipalities and public corporations; and I may say to the Senator that in many instances throughout the country the plans are all ready. As a matter of fact, in some the work has begun, and these municipalities and States and other public corporations were compelled to abandon the work because they were unable to sell the securities. Under this bill the Federal Government is to extend its credit to these public corporations and municipalities and States so that they may complete these projects, and they can not secure this credit unless they establish the fact that the projects are self-liquidating.

Mr. TYDINGS. I want to say now to the Senator from New York, without any flattery at all on my part, that I should be inclined to follow him on almost any bill for relief that he would write, because I know that more than any other man in this or the other body of Congress he has devoted his time and his talents to setting up a bill for that purpose, and I believe that if he had his way many of the provisions against which I now complain would not be in this bill.

It is my purpose to try to show the relative merit of the Government sticking to governmental functions as against the Government going into private or quasi-public functions, as proposed in the bill now pending before the Senate.

First of all, there are many roads which are too narrow. There are through highways that should be widened. There are dangerous grade crossings which should be eliminated, the railroads to pay their respective proportion of such cost. There are bridges to be built across streams. There are tunnels which would be economically sound. But over and above all, in the State of Maryland or Montana or Minnesota or what not, the relief would spread like a carpet of dew over the entire country; every section would have equal, exact, and fair treatment, have the same proportion of the public money, and there would be no discrimination whatsoever. It would be in the nature of a permanent improvement.

I can not bring myself to vote willingly for something to which I am violently opposed as a matter of principle, although I may be forced to do so in this national emergency. It is to prevent being forced to vote for a relief measure which many of us believe is unsound that I humbly offer this substitute, in the hope that many others may feel as I myself feel.

We do not know where this depression is going. We can not say that it will be over this year or next year, regardless of which party may control the Government. If it is not over, the sooner we stop lending the public money to private concerns in America, the better it will be for us and for the taxpayers who ultimately must shoulder the bill.

We certainly have had a lesson in our loans to Europe; have we not? There is fourteen or more billions of dollars which doubtless will be lost—a great deal of it, at least—for all time. Shall we pour more good, hard tax money down the rat hole, or shall we stop now, and about face, and deal with national subjects only, and not run the business of every Tom, Dick, and Harry in this country?

I want to point out that the recent tax bill which passed this body, besides all the other national taxes which the people are called upon to pay, levied an additional burden of \$1,200,000,000 annually upon the backs of people who are already in the slough of despond. How much is that? That is the equivalent of \$10 on every man, woman, and child in this country. It is \$40 of new taxation upon every family, rich or poor, employed or unemployed, in America. In the face of that fact, have we gone so mad as to take this money from such sources and lend it to private concerns, and then, in the same breath, turn from these corridors the ex-service man, and say, "We could not find the money to pay you, although we recognized the obligation by previous legislation; you must wait until 1945; but we have the money to give to private enterprise to engage in more or less doubtful projects, and perhaps never get a dollar of it, or only a part of it, back again?"

Mr. WAGNER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Maryland further yield to the Senator from New York?

Mr. TYDINGS. I yield.

Mr. WAGNER. Does the Senator favor that portion of the bill which permits the Reconstruction Finance Corporation to make loans—

To States, municipalities, and political subdivisions of States, public agencies of States, of municipalities, and of political subdivisions of States, public or quasi-public corporations, and public or quasi-public municipal instrumentalities of one or more States to aid in financing projects authorized under State or municipal law and which are self-liquidating in character?

Mr. TYDINGS. As a matter of principle, I emphatically do not. The business of the Federal Government is not to finance either State, county, municipal, or any other kind of governments except our National Government.

I voted for the appropriation of \$300,000,000 to feed the hungry and the starving as I would vote to take care of the victims of any catastrophe. That is our business—where a locality is impoverished, to show the generous hand of charity to help keep people from perishing. But to go farther

than that, and to put the Federal finances back of the tax finances of Harford County, Md., or Dutchess County, N. Y., or the city of Salt Lake, Utah, is not our business; and the sooner we stop that sort of the thing, the sounder will be our finances in the years to come.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland further yield to the Senator from New York?

Mr. TYDINGS. Yes; I yield.

Mr. WAGNER. I should like to call the attention of the Senator to the fact that this is not a question of taxation within the municipalities, because we are limiting this, as I tried to emphasize two or three times, to projects which are self-liquidating in character; and therefore the construction of these projects does not cost the taxpayer a cent.

Mr. TYDINGS. Let me ask my good friend from New York, who is to know whether or not these things are self-liquidating?

Suppose the Senator from Kansas and I form the A B C Bridge Co. to build a bridge across the Potomac River at Mount Vernon, Va., upon the theory that instead of coming to Washington people will drive directly down the southern Maryland boulevard and cross the river there. We borrow the money from the Federal Treasury. It is loaned to the corporation. The bridge is put up. The public do not use it as we anticipated they would. The tolls will not pay the interest on the bonds. May I ask the Senator from New York who repays the Federal Government under that contingency?

Mr. WAGNER. If the projects are not self-liquidating?

Mr. TYDINGS. Yes.

Mr. WAGNER. The particular agency which borrows the money.

Mr. TYDINGS. That would be the State of Maryland, would it not?

Mr. WAGNER. That might be said about any project that is undertaken. It is necessary in some way to predict; but experience is sufficient upon which to make a very accurate calculation as to the self-liquidating character of a project.

Now, let me ask the Senator one other question, and then I will not interrupt him again.

Mr. TYDINGS. All right; I am glad to yield.

Mr. WAGNER. The municipalities and in many instances the States have had to abandon these projects and throw these large numbers of men out of employment, because during this terrific depression they were unable to sell their bonds and secure the necessary credit. Therefore all of these municipalities and States have appealed to the Federal Government to extend credit, because the Federal Government's credit is still sound, so that they may continue these projects, promising to repay the amounts of the credits by the projects themselves, so that they may put these men back to work and take them out of the bread lines, and to some extent, at least, save the tragedy of misery and hunger. Shall the Federal Government under those circumstances turn its back, as the Senator asserts, upon the appeals that have come from these municipalities to keep people employed and have them work instead of giving them charity?

Mr. TYDINGS. Has the Senator finished?

Mr. WAGNER. That is all there is to the question.

Mr. TYDINGS. The Senator can not put words in my mouth. He knows that I never contended for a moment that these appeals should go unheeded. Am I not myself standing here asking that the Federal Government expend a billion dollars in building bridges and roads and tunnels? Am I not myself advocating a means to take up this slack? But I am not advocating a means by which private concerns can get the taxpayers' money for their own good, not for the good of the entire people.

Ever since there has been a Congress we have appropriated money from time to time to build Federal highways or to improve them. In fact, the Constitution gives us the power, among other powers, to regulate interstate and foreign commerce, and again to establish a system of highways and post roads. This is a normal, real, actual, traditional govern-

mental function. When did the Federal Government ever lend money to the Senator from Georgia, for example, to build a bridge across the Suwanee River? And if Senators formed a company for that purpose, and the bridge did not pay, the Government would have no redress to get its money back.

I am not going to stand here and vote that portion of the Federal money which comes into the Treasury from the people of Maryland—who find it hard to pay these taxes—and turn it over to a lot of private contractors to build their own projects. I predict that if this bill goes through there will be some of the biggest scandals in connection with it that have rocked this Nation, because we are in a presidential year, and we all know enough about human nature to know that the desire to help those who are right with the party, both Democrats and Republicans, is a strong impulse in the politician's breast. We will find money not being loaned always upon merit, but we will find it being loaned upon political expediency, and a great deal of it will be gone for all time.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland further yield to the Senator from New York?

Mr. TYDINGS. I yield to the Senator from New York.

Mr. WAGNER. The impression the Senator apparently is trying to create is that this aid to private corporations is the major part of this bill, and I do not consider it so at all. Is that the only thing the Senator objects to in the bill?

Mr. TYDINGS. No; that is the main thing I object to in the bill.

Mr. WAGNER. Because, so far as I am concerned, that can be stricken out in an instant. I do not care anything about it.

Mr. TYDINGS. If the Senator will do that—

Mr. WAGNER. Then the Senator will have another objection, I know.

Mr. TYDINGS. No. I will say this to the Senator, that if the Senator will strike out all provision for loans to private concerns, I will vote for his bill, even though I do not like it, for the simple reason that it would not then violate any real principle of national government, in its last analysis. I do not like its philosophy, but I want to vote to alleviate the unemployment in this country. If the Senator keeps that provision in the bill, I am going to find it extremely difficult to vote for relief, when that relief is coupled with loans to private bridge companies, private tunnel companies, and other individual concerns. Whose money is to be loaned? The money of the taxpayers of this country, who can not shoulder any more burden.

I am not criticizing the Senator from New York. I know he put some of these provisions in the bill not because he thought they were wise but because he was attempting to frame a bill which could be passed at this session of Congress.

Mr. WAGNER. Mr. President, will the Senator yield again?

Mr. TYDINGS. I yield.

Mr. WAGNER. Did the Senator vote for the original Reconstruction Finance Corporation act?

Mr. TYDINGS. I did.

Mr. WAGNER. Did that not permit extension of credit to railroads?

Mr. TYDINGS. Yes.

Mr. WAGNER. And to banks and insurance companies?

Mr. TYDINGS. Yes.

Mr. WAGNER. Then the Senator should not talk about changing principles.

Mr. TYDINGS. I hope the Senator will give me the right every criminal has, the right of reform. I know this, that simply because I have done a bad thing once, in a moment of mistaken judgment, is no reason why I should do it forever. I admit my fault. I voted for it, but not with any pleasure, and with great reluctance, and had I that vote to cast over again, outside of loans to the national banks, not a dollar of that money would have been appropriated.

Nor, Mr. President, could I have anticipated the way the money was to be loaned. Had I been able to do so, it would not have had my support. All I can see that we have done is that we have not helped the railroads, we have simply become the creditor in place of Morgan & Co., or some other banking group, and it was never my thought in the world that that policy was to be pursued, at the time that act was passed.

I am sorry I voted for it. Open confession is good for the soul. I would not do it again, and I do not intend to do it again, no matter how it is dressed up or disguised. We have followed the "great engineer" enough in these unique experiments, and I have followed him the last step I intend to go in that direction.

Does that answer the question of the Senator from New York?

Mr. WAGNER. I was going to say to the Senator that, so far as I have been able to learn, he will follow the gentleman whom he designates the "great engineer," if he votes against this bill.

Mr. TYDINGS. I do not think the "great engineer" is going to veto the bill for the reasons I am uttering. As I read his interviews, the very things against which I am complaining are the very things he wants inserted in the bill. He wants more of this "pork-barrel" finance. You take a \$10,000 bunch of Treasury notes under the President's "pork barrel" finance plan.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. McKELLAR. Does the Senator approve subdivision 9, on page 108, reading as follows?—

The remainder of such sum of \$500,000,000 shall be available for expenditure upon permanent improvement projects, to be selected by the President, for which appropriations have heretofore been made or shall be hereafter made for expenditures during the fiscal year 1932 or 1933.

Mr. TYDINGS. Of course, I do not. What business has the President in selecting the projects? I know enough about the President—and this is no reflection upon him—to know that at least he has some human qualities; and being a candidate for reelection, it would be remarkable if, even without his knowledge, perhaps, political expediency did not work its way into the selection of those particular projects.

Mr. WAGNER. Mr. President, will the Senator yield again?

Mr. TYDINGS. I yield.

Mr. WAGNER. Apparently both the Senator who is addressing the Senate and the Senator who has just asked a question have an absolute misapprehension as to what the section referred to means.

Mr. McKELLAR. Evidently I have.

Mr. WAGNER. I am sure the Senator has, and I am sure the Senator does not object to being corrected.

Mr. McKELLAR. Not at all.

Mr. WAGNER. This simply gives the President the power to determine the methods by which the public projects already voted for by the Senator himself in the appropriation bills shall be financed, whether they shall be paid for out of current revenue, or whether they shall be paid for out of money secured by the issuance of bonds; but it does not give the President any power to determine what particular projects he shall undertake. He simply has the power to determine, after a project has been undertaken, according to the mandate of the appropriation bill, how the money shall be raised to pay for the project.

Mr. McKELLAR. Will the Senator yield?

Mr. TYDINGS. Mr. President, I would like to yield to the Senator—

Mr. WAGNER. Does the Senator from Maryland now understand?

Mr. TYDINGS. I think that that is not a major point. The Senator asked me if I agreed with it, and I said no.

Mr. WAGNER. The Senator had a misapprehension as to the section.

Mr. TYDINGS. No; I did not, because I have a part of it in my own bill.

Mr. President, let us take the State of New York, for example. I do not know what its proportion would be of the billion dollars. How much would it be, may I ask the junior Senator from New York, to be spread equally among the States in accordance with the Federal highway act?

Mr. WAGNER. I do not know. But will the Senator yield for a moment?

Mr. TYDINGS. I yield.

Mr. WAGNER. I hope the Senator will believe me in this, that I have not looked upon this problem as a problem of New York. I have looked upon it as a national problem, as we are experiencing a national calamity, and I hope no Senator in this body will look upon it merely as to how it may aid his particular community. We are dealing with the whole Nation.

Mr. TYDINGS. Mr. President, I had no intention at all of reflecting upon the Senator. I was simply picking out his State as an illustration of how the money would go under my amendment.

I would like to say to the Senator from New York again; and I say it without flattery, and with absolute sincerity, that I think he has worked harder on this problem than perhaps all the rest of us put together, and it is with genuine reluctance that I am forced to stand here and oppose any of a program upon which he has spent so many hours. But I believe that the road appropriation is the fairer means of dealing with this subject.

Let us take the State of New York. We will assume we have a billion dollars. I imagine that the State of New York would certainly be entitled to about 4 per cent of that amount. It is a large State in population, and a large State in area.

Mr. WAGNER. And pays 28 per cent of the taxes.

Mr. TYDINGS. Yes; and pays 28 per cent of the taxes, so that of any money that we appropriate New York is going to pay 28 cents out of every dollar; but, of course, we will pay it to New York before New York will pay it to the Federal Treasury.

Mr. WAGNER. Another evidence of the interdependence of the States.

Mr. TYDINGS. That would be a considerable sum of money, which would be turned over to the Highway Department in New York State.

New York City could get a certain amount of that money for roads and bridges and tunnels. It could build highways throughout New York, bridges over the Hudson, many improvements which have waited for sums of money. And may I say to the Senator from New York that in the next 10 years we will appropriate money anyway for this very purpose? I am only proposing to move up what we are going to do in the next 10 or 15 years while the army of unemployed needs this assistance.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to me?

Mr. TYDINGS. I yield.

Mr. WALSH of Massachusetts. Is the Senator now explaining the distribution of his emergency construction fund?

Mr. TYDINGS. Roughly; yes.

Mr. WALSH of Massachusetts. I wish the Senator would state the amount of money that would accumulate in this fund, and how he proposes to distribute it.

Mr. TYDINGS. Mr. President, the first proposition in my amendment provides for a billion dollars for roads, bridges, and tunnels, to be distributed to the States of the Union in accordance with the Federal highway act.

Mr. WALSH of Massachusetts. In other words, the Federal Government is to distribute to the various States a billion dollars, each State receiving the proportion which it would receive under the terms of the Federal highway act?

Mr. TYDINGS. That is correct. That takes up the whole billion dollars.

Mr. WALSH of Massachusetts. Then the State can spend that money as it sees fit?

Mr. TYDINGS. That is right.

Mr. WALSH of Massachusetts. Is the State limited to highways?

Mr. TYDINGS. To highways, bridges, and roads, approved by the Federal Highway Commission, the same situation we now have for the expenditure of money upon highways.

Mr. WALSH of Massachusetts. Then all the Senator proposes is to enlarge greatly the annual appropriation for 50-50 highway construction in various States?

Mr. TYDINGS. The Senator is stating it accurately.

Mr. WALSH of Massachusetts. I do not understand that the States are expected to match the money they receive from the Federal Government, under the amendment?

Mr. TYDINGS. The States are not expected to match it. It takes what the Senator from New York and his conferees already have put into the bill for highway purposes—I think it is \$120,000,000—and enlarges that fund to a billion dollars.

Mr. WALSH of Massachusetts. Are the States expected ever to pay back the money?

Mr. TYDINGS. The States are not expected to pay it back, but I would have no objection to a reasonable amendment, if Senators want to make it a loan, although I am personally opposed to that. I believe we want to donate that money, give it to the States for highway purposes, because there are some States where it is impossible to collect enough taxes to pay the school-teachers. Take the State of Illinois, the city of Chicago, for instance; take the State of Mississippi, the State of Oklahoma, the State of Tennessee, or the State of South Carolina.

Mr. WALSH of Massachusetts. Mr. President, from my observation of communities which are having difficulty in raising money, it is due to a financial collapse of the credit of the communities, caused either by the taxpayers failing to pay their taxes, or by the administration of the city or local government being of such an extravagant character that the banking institutions will not give them credit. Is that the Senator's observation?

Mr. TYDINGS. That is right.

Mr. WALSH of Massachusetts. That is a difficulty with the pending bill that troubles me, but it is only a slight difficulty. I can not understand how there is going to be any benefit to States or municipalities from getting money from the Federal Treasury to undertake public works, when it is impossible for them to foresee a time when they can pay for the public works because of the necessary curtailment of expenditures they must all undergo at the present time. So I think that, laudable as the purposes of this bill are, we will be disappointed in the results that will come.

Mr. TYDINGS. May I say to those who may care to listen, let us translate this sum of money among the unemployed, and see what it means. Roughly, there are 10,000,000 unemployed, and there is to be a billion dollars. If my calculation is not faulty, that would be \$100 for every unemployed person. If every unemployed person in the United States could be put to work, there would be a hundred dollars for each one of them. Obviously, many of them will not be absorbed, but I do say this without fear of successful contradiction, that this program would reach more of the unemployed in every section of the country, and be more evenly distributed, than any other program which has been offered in this body.

What profiteth the State of New York if Massachusetts or Maryland is taken care of, and it gets only 25 per cent of what would be its proration of the appropriations under the bill? There can be no question but that the money will be spread over the entire country. If half the number estimated are unemployed, every unemployed person would have a \$200 pay roll out of this sum. I do not say the plan would be a cure, but I do say that in many sections of the country the community funds will approach what would be spent upon roads in those same communities under this bill. In

other words, public charity, for which the community will not get back a thing, will be used to take care of the unemployed, where, under this bill, there would be a road to show for it after the money had been exhausted.

Mr. President, I am going to outline briefly the amendment, but before I do that may I say that in addition to the \$1,000,000,000 there are additional appropriations to the Treasury Department of \$33,000,000; to the Veterans' Bureau, \$20,000,000; to the Inland Waterways Corporation, \$815,000; to the office of Public Buildings and Parks, \$1,250,000; to the State Department, \$1,453,000; to the Navy Department, \$25,000,000; to the municipal government of the District of Columbia, \$3,535,400, making a total of roughly \$1,400,000,000.

Mr. WALSH of Massachusetts. Mr. President, how did the Senator determine upon the particular amounts for the particular purposes?

Mr. TYDINGS. I took the report of the Stabilization Board dealing with projects which had already passed Congress, and from those projects tried to select those which in my judgment were really needed and which would furnish employment equally and which would be a rightful and fair expenditure of Government money at this time.

Mr. WALSH of Massachusetts. Are those included in the bill under consideration?

Mr. TYDINGS. Some of them are. In addition to that I provide \$10,000,000 for reforestation. That will mean the creation of new wealth by the expenditure of the \$10,000,000. We can plant different kinds of trees upon the watersheds of the country and in time reap a great deal of national wealth from that investment.

In addition to that I had the rather poetic inclusion of \$5,000,000 to plant trees along the improved highways throughout the Nation. That offers fine work. It can be spread over a vast area, because we can not or should not plant trees closer than 50 or 60 feet apart. In my judgment this would not only be a sound way to spend the money, but would add greatly to the beauty of the country while serving the needy and destitute with employment. In addition to those I have read there is \$300,000,000 for river and harbor improvements and flood-control projects. All that I have read total \$1,400,000,000 plus.

How are we going to take care of it? First of all, we create a bond issue of \$1,500,000,000. We create that issue upon the serial annuity plan. That means that it is to be paid back in 10 equal installments of \$150,000,000 a year every year for 10 years plus the interest on the outstanding bonds. The maximum amount in any year necessary as an average to retire the principal and interest would be \$200,000,000. We could take care of that during the next 10 years without a great deal of difficulty. So much for that. It is paid off one-tenth each year for 10 years.

Would any Senator like any further information on that part of the subject before I leave it? The bond issue is created and paid off in 10 equal annual installments.

Mr. WALSH of Massachusetts. Is the bond issue self-liquidating?

Mr. TYDINGS. No; it is not self-liquidating. I do not want to inject a foreign matter into the debate. I would like very much to insert a provision to pay for it with revenue derived from a tax on beer; but I know there are many Senators who would not subscribe to that plan. I have made that fight three times; but I say here and now that if one Senator who voted against the revenue tax on beer before will rise in his place and tell me he will vote for it as a means of liquidating these bonds and for the relief of unemployment, I will make the fight all over again; but unless some Senator has changed his mind I can see no good in wasting the time of the Senate in making that contest all over again.

Mr. WALSH of Massachusetts. Let me remind the Senator of the change of sentiment in the House.

Mr. TYDINGS. Yes. I know it is silly, but let me say in passing that there is not the slightest doubt in my mind that at the next session of Congress we will tax beer. The Republican platform, just adopted by a great political party, comes out practically for more than beer, and I ought to

have the support of every Senator who sits on the other side of the aisle to tax beer now and put these people to work rather than to have millions upon millions of dollars wasted in community funds, doles, charity, for which the American Government, the States, and the cities will not have a single thing to show. By getting that tax now we could build any number of useful things in the United States and make the waste of these community funds unnecessary.

But politics being what it is, I despair, notwithstanding the Republican Party, as will the Democratic Party, has gone on record in opposition to present-day prohibition, of getting a single, solitary vote. The bootlegging element will have six or eight months more to have the only untaxed business in America. While three-quarters of a million farms have been sold under mortgage foreclosure and for delinquent taxes, while 5,000 banks have failed, while 10,000,000 people are unemployed, and State and city governments are breaking down, school-teachers and policemen and firemen are not paid, every other business in America is taxed, and now we have a new tax bill of \$40 per family in addition to the other Federal taxes, and yet here we sit unwilling to meet this great issue now and run the chance of lighting the fires of revolution when the cold days of next winter fall upon us.

But I do not want to go into that question again. I would be glad to offer that amendment. In fact, it was incorporated in the amendment which I have had printed, but I have stricken it out. If I knew there was just one Senator more than the 26 who voted for it before who at this time would lend it his aid or support, I would offer it again. Not knowing any such Senator, not seeing any Senator rise in response to my inquiry, I presume that fight would be futile. If I could get the amendment adopted, the money to liquidate the bond issue would all be provided and there would be no unprovided-for additional obligation upon the Federal Treasury.

Mr. President, it is also provided, as in the amendment which was adopted to-day offered by myself earlier in the session, that in the employment of labor in connection with any projects provided for under my proposed substitute, preference shall be given to the ex-service men or their dependents.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Maryland yield to the Senator from Iowa?

Mr. TYDINGS. I yield.

Mr. BROOKHART. In the amendment as it stands, has the Senator left out his beer tax?

Mr. TYDINGS. Yes.

Mr. BROOKHART. I think probably he has gained one vote by so doing.

Mr. TYDINGS. I am glad to hear that. If the Senator had changed on another matter before the last primary, I think he would have gained a lot more votes, too. [Laughter.]

Mr. BROOKHART. Upon that proposition I had one man running against me, who talked just like the Senator from Maryland. He got 11,000 votes out of a total of 400,000.

Mr. TYDINGS. When the Senator runs again, he will find that all of his opponents will be talking like the Senator from Maryland.

Unless there is some question to be asked I shall not take the time of the Senate further in discussion of the amendment. The substitute provides for roads instead of loans to small private or semiprivate corporations. I think we have gone pretty far in the way of State communism or State socialism, if we want to call it that. I hope no Senator who advocates loans to private concerns hereafter will rise in this body and denounce Russia, because it looks to me like Russia is coming out of that situation; that we are going into it double time, while she walks slowly out. Our whole system of government is changing right before our eyes. We are making new history, taking Government money and throwing it away to private concerns everywhere. The Govern-

ment has gone into the business of doing everything. The Government is no more a governing concern. It is a gigantic bank where everybody who can tie up some sort of quasi-public undertaking can come and tap the till and get money for his enterprise under the benediction of the Federal Government.

Mr. BLACK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Alabama?

Mr. TYDINGS. I yield.

Mr. BLACK. The Senator has stricken out part of his amendment as printed?

Mr. TYDINGS. I struck out section 2 and section 3.

Mr. BLACK. May I ask the Senator if the bill as it is written contemplates the expenditure of any sum for the building of highways, bridges, and tunnels?

Mr. TYDINGS. No.

Mr. BLACK. I notice an appropriation here to the Treasury Department, for instance.

Mr. TYDINGS. There is \$1,000,000,000 for roads, \$300,000,000 for flood control and rivers and harbors, and about \$100,000,000 to a condensed selected number of buildings.

Mr. BLACK. May I ask the Senator what method of selection of building sites is to be adopted under the measure?

Mr. TYDINGS. Under what appropriation?

Mr. BLACK. For instance, under the Treasury Department.

Mr. TYDINGS. The Treasury Department plan was taken in full. There are customhouses and things like that which have already been provided for.

Mr. BLACK. Then, as I understand it, the sites for all the public buildings for which provision will be made under the Senator's amendment have already been selected, and it would not be left to the administration to determine the location?

Mr. TYDINGS. That is right.

Mr. BLACK. So that the entire \$1,500,000,000 would be used, \$1,000,000,000 for highways and the remainder for public buildings?

Mr. TYDINGS. There would be \$300,000,000 of the remainder for flood control and river and harbor projects, and a little short of \$200,000,000 for a selected group of buildings already authorized and which are to be built shortly.

Mr. BLACK. I shall vote for the Senator's substitute.

Mr. TYDINGS. Mr. President, I offer this now as a substitute for the Wagner bill.

The PRESIDING OFFICER. The amendment has not been read to the Senate.

Mr. TYDINGS. Yesterday I had it printed in the RECORD, and I shall be glad to have it read now. It is not long.

Mr. FLETCHER. Mr. President, before the substitute is offered, the bill pending is subject to perfection, and an amendment to the bill is in order before the question of a substitute can be placed before the Senate. I have an amendment to offer to the bill.

Mr. TYDINGS. As I understand it, after committee amendments are adopted, an amendment in the nature of a substitute is in order.

Mr. FLETCHER. I do not think the substitute is in order yet.

The PRESIDING OFFICER. The committee amendment is a substitute for the House text.

Mr. TYDINGS. I offer my amendment as a substitute for the committee amendment.

Mr. FLETCHER. But the committee amendment can be perfected before the substitute is in order.

The PRESIDING OFFICER. The amendment of the Senator from Florida is in order.

Mr. TYDINGS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TYDINGS. Then my amendment is not in order at the present time?

The PRESIDING OFFICER. It is in order, but other amendments may be made perfecting the text of the committee amendment.

Mr. TYDINGS. Then my amendment will be pending when general amendments, so called, are disposed of?

The PRESIDING OFFICER. That is correct.

Mr. FLETCHER. Mr. President, this morning I offered an amendment, which I discussed, and I shall not discuss it further at this time. I withdrew it for the purpose of changing the verbiage to some extent, but especially to make it applicable to another part of the bill. I offer the amendment now. I do not care to discuss it.

Mr. KING. Let the amendment be reported.

The PRESIDING OFFICER. The amendment will be reported.

The CHIEF CLERK. On page 103, after line 19, insert the following:

(b) The first sentence of the second paragraph of section 5 of the Reconstruction Finance Corporation act is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following:

"Provided, That the corporation may make loans under this section to any building and loan association upon its unsecured evidence of indebtedness in States where there is no statutory or implied authority for such association to pledge or assign the notes or mortgages of its borrowing members as security, but in such cases no loan shall be made to any such building and loan association the amount of whose liabilities (not including liabilities on account of loans from the Reconstruction Finance Corporation) exceed 25 per cent of its assets at the date application for such loan is made."

On page 103, line 14, after the section number insert "(a)."

Mr. WALSH of Montana. This amendment authorizes loans to be made to building and loan associations without any restriction whatever as to the purpose for which the money borrowed shall be applied. A building and loan association could utilize the money which it borrows from the Reconstruction Finance Corporation for the purpose of taking up outstanding obligations of one kind or another, but it would give rise to no new construction at all. That is not at all in keeping with the purpose of this bill, and I therefore think the amendment ought not to be adopted.

Mr. COUZENS. Mr. President, I think the position taken by the Senator from Montana is correct, that if the Reconstruction Finance Corporation act is to be amended so as to provide for this kind of loans, it should be done in a separate measure such as the Senator from Florida [Mr. FLETCHER] first introduced. It should be done by a bill to amend the Reconstruction Finance Corporation act so as to permit such loans.

However, in addition to that, I want to point out that in this amendment there is no safeguard against a building and loan association contracting any kind of debt after it has secured a loan from the Reconstruction Finance Corporation. In other words, the Senator from Florida by the amendment attempts to provide that no loans shall be made to such an association if its debts exceed 25 per cent of its assets, and yet after the loan shall be made its debts may exceed 75 per cent of its assets, and therefore the Reconstruction Finance Corporation would have no security at all.

So, Mr. President, in view of what the Senator from Montana has stated, and in view of the form of the amendment, I think it is the most hazardous and unjustifiable amendment which has been proposed to the pending bill.

The PRESIDING OFFICER (Mr. Fess in the Chair). The question is on agreeing to the amendment offered by the Senator from Florida.

Mr. FLETCHER. Mr. President, I only want to say a few words.

This amendment contains the same restrictions as to the purposes to which the money may be applied as are contained in the original act which provides for loans to building and loan associations. The Reconstruction Finance Corporation, however, found that in certain States building and loan associations are not entitled to borrow money because they can not pledge their assets. The amendment would allow such building and loan associations to borrow to the extent therein provided, under the same restrictions as to the use of the money and the application of the loans as are contained in the original act. I am not going to take the time of the Senate to discuss the question any further.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Florida.

The amendment was rejected.

Mr. SHEPPARD. Mr. President, I offer an amendment to the House text. It proposes to insert a project in the rivers and harbors section which would have been inserted in the other House but for the fact that the report of the Government engineers did not reach that body before the bill was passed there.

The PRESIDING OFFICER. The amendment proposed by the Senator from Texas will be stated.

The LEGISLATIVE CLERK. On page 66, after line 16, it is proposed to insert:

Port Aransas, Tex.: Rivers and Harbors Committee Document No. 35, Seventy-second Congress.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Texas.

The amendment was agreed to.

Mr. COUZENS. I offer the amendment which I send to the desk. It is intended as an effort to define what a "self-liquidating corporation" is, and I request the attention of the Senator from California to the amendment.

The PRESIDING OFFICER. The amendment proposed by the Senator from Michigan will be stated.

The CHIEF CLERK. On page 101, line 3, after the word "character," it is proposed to insert:

Provided, That liquidation shall take place within a period of 30 years. It shall be the duty of the Reconstruction Finance Corporation to see that fees, tolls, or other charges are adequate to pay all operating charges, interest, and principal, within said period.

Mr. COUZENS. Mr. President, the definition contained in the amendment which I have just offered is the best definition of a "self-liquidating corporation" that I have been able hurriedly to prepare. There is not a word in the bill anywhere defining what the "self-liquidating corporation" is.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Michigan.

Mr. WALSH of Montana. Mr. President, I understand the purport of the amendment offered by the Senator from Michigan to be that whatever bonds or other securities are taken for such loans must mature within 30 years?

Mr. COUZENS. That is correct; that is the purport of the proposed amendment.

Mr. JOHNSON. Mr. President, I think the Senator from Michigan is mistaken in saying that there is no description, no definition of a "self-liquidating corporation" in the bill. As I read it, there is a perfect description of a self-liquidating activity. I turn to page 101, line 8, and read as follows:

For the purposes of this subdivision a project shall be deemed to be self-liquidating if such project will be made self-supporting and financially solvent, and if the construction cost thereof will be returned within a reasonable period by means of tolls, fees, rents, or other charges.

In what fashion does the definition proposed by the Senator from Michigan improve the definition in the bill?

Mr. COUZENS. Mr. President, it specifies the number of years in which the project is to be liquidated, and it places responsibility upon some one to see that it is liquidated within that period of time and that the tolls or other charges are fixed on that basis.

Mr. JOHNSON. That is a very different proposition from what was suggested. The suggestion of the Senator from Michigan was that he was presenting a definition of a self-liquidating project and that there was no such definition in the bill.

Mr. COUZENS. Mr. President—

Mr. JOHNSON. If the Senator will pardon me for a moment, there is a definition in the bill which is in itself perfect. Whether one agrees with it or not is a different proposition.

Now, what the Senator from Michigan seeks to do is to put in the bill, in addition to the definition, not a definition at all but a qualification that some one in authority shall determine that the tolls, rental charges, and the like, shall do the job as described in the bill. Personally, I have

no particular objection to that; but I do think that it is erroneous to fix a specific time limit. That will be determined within the discretion of the Reconstruction Finance Corporation, and I would not like to have a hard and fast rule in regard to that specific point. I have only heard the amendment read, and I may do the Senator an injustice by trusting to my fallible memory; but when the Senator provides in the amendment that some one shall determine the question of whether the charges, tolls, and the like, will perform within a reasonable time the function of paying the entire amortization cost, that seems to me to be also provided by the bill in question, in the paragraph which I read a moment ago, namely:

For the purposes of this subdivision a project shall be deemed to be self-liquidating if such project will be made self-supporting and financially solvent, and if the construction cost thereof will be returned within a reasonable period by means of tolls, fees, rents, or other charges.

I ask the Senator from Michigan if he will do me the kindness to read his amendment.

Mr. COUZENS. I wish to say to the Senator from California that I stand corrected in the statement I made that this was a definition of a self-liquidating corporation.

Mr. JOHNSON. That is of no significance.

Mr. COUZENS. I should have said that it was a qualifying or clarifying provision. The amendment provides substantially what the bill provides, only the amendment sets up an agency to see to it that the definition is carried out and that the period in which it is carried out shall be limited to 30 years.

Mr. JOHNSON. Now, let us see. On page 101, line 3—

Mr. COUZENS. After the word "character."

Mr. JOHNSON. After the word "character," which is prior to the definition that is contained in the bill, the amendment proposes to insert the words:

Provided, That liquidation shall take place within a period of 30 years. It shall be the duty of the Reconstruction Finance Corporation to see that fees, tolls, or other charges are adequate to pay all operating charges, interest, and principal within said period.

It will be realized that the bill already contains a provision reading:

And if the construction cost thereof will be returned within a reasonable period by means of tolls, fees, rents, or other charges.

Strip the amendment of the Senator from Michigan of what is already definitely provided, and there is just one thing in it, and that is that the liquidation shall take place within a period of 30 years.

Mr. WAGNER. Mr. President, I quite agree with the Senator from California. The only modification which the Senator from Michigan proposes is to substitute for the words "within a reasonable period" the words "30 years." In other words, instead of leaving to the Reconstruction Finance Corporation the determination of what is a reasonable time within which the liquidation shall take place the Senator from Michigan proposes to fix such reasonable time at 30 years. It will be in a way a suggestion to the Reconstruction Finance Corporation that they may very well spread this period over 30 years, where otherwise they might demand that liquidation take place in a less time.

Mr. JOHNSON. Mr. President, amplifying what has been said by the Senator from New York, it might well be that a certain kind of self-liquidating corporation or activity could be paid out in 10, 15, or 20 years, as the case might be. It might well be that some other kind of self-liquidating corporation could not be paid out in 20, 25, 30, or 35 years, as the case might be. So, I think that the authors of this bill very wisely left the discretion with the Reconstruction Finance Corporation of determining within a reasonable period whether or not by means of tolls, fees, rents, or other charges the construction loan thereon will be returned.

Mr. KING. Mr. President, will the Senator yield?

Mr. JOHNSON. I yield.

Mr. KING. If the Senator from New York is correct, the amendment offered by the Senator from Michigan relates only to the duration of time within which the debt must be paid. That could be met by adding after the word

"period," the words "not exceeding 10 years"; but as I remember the amendment as it was read by the Senator the obligation rests upon the Reconstruction Finance Corporation to see to it that the tolls or other sources of income of a project which has received financial aid from the Government shall be paid at stated periods; that is, they shall exercise a supervisory care during the period of the life of the loan.

Mr. JOHNSON. May I say to my friend from Utah that the bill does all in that regard, omitting the term of years, that the amendment of the Senator from Michigan seeks to do because the bill provides, I repeat—

Mr. COUZENS. Mr. President, if the Senator will yield to me, I should like to correct the amendment.

Mr. JOHNSON. I yield.

Mr. COUZENS. I ask unanimous consent to withdraw the amendment in the form in which I submitted it, and to offer the following amendment.

The PRESIDING OFFICER. The Senator from Michigan has that right.

Mr. COUZENS. On page 101, line 12, I propose an amendment so as to make the provision read:

Returned within a period of not more than 30 years by means of tolls, fees, rents, and other charges.

Mr. JOHNSON. Now let me state first to the Senator from Montana what that does. All that it does is to substitute for "within a reasonable period" the term of 30 years.

Mr. COUZENS. Not more.

Mr. JOHNSON. Not more than 30 years. That is all it does. So the question reverts now to whether or not the language in the bill, proposed by its authors, of "within a reasonable period" should be stricken out and in lieu thereof should be inserted "not more than 30 years." I submit that with a measure of this sort, "within a reasonable period," leaving the discretion to the Reconstruction Finance Corporation, is preferable to fixing a definite number of years.

Mr. WALSH of Montana. Mr. President, without intending to signify my approval of the amendment proposed by the Senator from Michigan, I suggest to him that the end he seeks to accomplish would be subserved perfectly by just inserting after the word "period" the words "not exceeding 30 years."

Mr. COUZENS. That is my new amendment. I withdrew my old amendment.

Mr. WALSH of Montana. Yes. Under this you would strike out nothing whatever. You would just insert, after the word "period," the words "not exceeding 30 years," so that it will read:

Returned within a reasonable period, not exceeding 30 years.

Mr. COUZENS. I accept that. That is as I intended.

Mr. WAGNER. Mr. President, may I suggest that if that is done we may do an injustice somewhere, we do not know where. We have not sufficient information. It may very well be that a project which will be self-liquidating in time may require more than 30 years to liquidate the entire indebtedness. I mean, I think it unwise to state an arbitrary period if we are going to entrust a body with discretionary power in this whole matter.

May I ask the Senator upon what particular experience he bases the fixation of 30 years as the maximum period for the liquidation of any of these projects?

Mr. COUZENS. Mr. President, when I was a member of the Committee on Commerce we had a great deal of difficulty with bridge bills. Private bridges were being built to connect up Federal highways; and it was decided that these bridges should not be permitted to continue in perpetuity collecting fees from the public, without a terminating period. So the franchises to build these bridges were granted with the idea that they would be liquidated within a certain period and then returned to the public. Numerous amendments were put in bridge bills to that effect; and it was that experience that led me to the conclusion that we ought to have some period of termination for these bridges and

other public activities which the Government is going to finance.

Mr. WAGNER. Mr. President, so far as I am concerned, if the Senator is desirous of fixing a limit, I have no objection.

Mr. JOHNSON. Mr. President, I decidedly object to fixing an arbitrary limit of 30 years. I do that without a complete knowledge of the limitation that may be put upon bond issues that already have been voted. My recollection is that they are for a longer period, with regular amortization and the like; and I can see no reason for limiting the discretion of the Reconstruction Finance Corporation.

I can see the possibilities only of injustice, and perhaps peril, from a limitation in terms of this sort. I do not see that anything will be accomplished when the responsibility is designed by this measure to be put with the Reconstruction Finance Corporation, and then that responsibility we temper or we limit or we circumscribe with a limitation of 30 years. For that reason I think that it ought not to be adopted, but that the language is better as employed in the bill.

Here is an example of what we are doing in this bill, too, with due deference to my friend here, who is very much interested in the bill, as I am, and who is anxious to see a relief bill passed, I assume, just exactly as I am. Here is what we do:

Out of the blue comes an amendment. Until now we have not had the opportunity to investigate it, study it, or determine whether or not it will do an injustice anywhere. Suddenly it comes upon this floor. No reason is given except the general reason, which I concede to be good, that the limitation on bridges under certain circumstances might be made, and the like; and we are required now to vote upon that limitation, when with some degree of care—it would seem to me a degree of meticulous care—the authors of this bill have written into it that there shall be a reasonable discretion exercised by the Reconstruction Finance Corporation, and that the corporation shall decide whether or not within a reasonable time various tolls, charges, and the like shall pay out the particular enterprise.

It is unfortunate that we should be put up against a 30-year limitation without serious investigation—unfortunate from every standpoint because there has been, I assume, no real investigation by the Senator from Michigan, who wishes to safeguard the bill. There has been, so far as I am aware, none from those who are interested in various bond issues; and without a knowledge of the situation as it exists we might do something that we do not intend to do, and an injustice, really, to some particular bond issue.

I do hope that the language of the authors of the bill will prevail.

Mr. COUZENS. Mr. President, there were several reasons for my suggesting this amendment. In fact, I think I have suggested it for too long a period.

From my experience with municipal governments I know how much politics is played in these local governments. I know that if these municipalities get public money to build a utility without any strict and rigid inhibition against playing politics with the project, in all probability that will be done. I know that temporary mayors and councils of municipalities for a period of a few years may wreck the whole institution for the purpose of gaining votes. They may even have exceedingly low fares. They may disregard the upkeep. They may disregard the maintenance. They may lower the fares for the purpose of a political campaign, without any responsibility to the Federal Government for the retirement of the loan.

I recall that when the city of Detroit took over the street-railway lines I made as hard and fast a contract as it was possible to make to prevent the politicians from lowering fares and playing politics with the system; and it was only because of the hard and fast and rigorous contract that was made that the system has been kept out of politics and been able to make a success.

I do not want to be party to a bill that permits a municipality or a State to come to the Federal Government and

get millions and millions of dollars for a utility, and leave the provision of fares and returns and upkeep and the tolls to be charged and the sinking funds and the interest charges all to politicians who may have no responsibility or obligation to return the money advanced to the Federal Government.

Mr. JOHNSON. Mr. President, in reply let me say that we will all agree with everything the Senator from Michigan may say in regard to the playing of politics by various municipalities and the like. Let us concede it, concede that they play politics in all sorts of directions; and he says that because politics has been played in various municipal undertakings he does not want to leave to the politicians of a particular municipality the right to lower tolls, and so forth, and do as they see fit.

That is just exactly what this bill prevents, and just exactly what the authors of this bill with care wrote into it, because it provides—I read it again; it is the fifth time; I seem unable to impress it upon my fellows—it provides:

The construction cost thereof will be returned within a reasonable period by means of tolls, fees, rents, or other charges.

All right. The construction cost, then, must be returned by means of fees, tolls, charges, and the like. That is in the bill. Now we entrust the administration of this bill to the Reconstruction Finance Corporation. The Reconstruction Finance Corporation must of necessity, in dealing with these subjects, have a discretion; and we entrust to the discretion of the Reconstruction Finance Corporation in this fashion—by saying that the Reconstruction Finance Corporation within a reasonable period shall see that the tolls and the charges and the like pay out the particular kind of construction.

If there is room for politics in thus putting the tolls and the charges in sufficient amount to pay out the cost of construction, I fail to see it; and while agreeing with everything that may be said by the distinguished Senator from Michigan in respect to politics in municipalities—and politics not only in municipalities, but otherwise, and in national conventions, too—and uniting with him in any exhortation of the politics that may be played under any circumstances and in any place, I insist that when the Reconstruction Finance Corporation is given the discretion within a reasonable time to see that the tolls and charges and the like will pay out the cost of construction, we have simply erected, by saying “politics in a municipality,” a particular specter which can not under any circumstances exist.

Mr. COUZENS. Mr. President, the Senator from California apparently proceeds on the theory that there is no politics in Washington or that he assumes that there is no politics in the Reconstruction Finance Corporation.

I do not propose to leave to the Reconstruction Finance Corporation, which is manned altogether by politicians, officeholders, or ex-officeholders, the determination of the length of time that they will loan this money and under what circumstances they may loan this money if by legislation I can prevent their abusing that power.

I do not propose to approve of a bill which permits the Reconstruction Finance Corporation directors—all of them more or less actively engaged in politics—to say to the State of California or to the State of Michigan or to any other State that a reasonable length of time is 99 years, for example, or 50 years, and for the period of 30, 40, 50, or 99 years permits the municipal authorities to play politics with fares and tolls, so that the Federal Government will in perpetuity be “holding the bag.”

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. JOHNSON. Will the Senator pardon me for saying in response to that that there is not any question of politics in language such as has been written into this bill; and no specter of that sort can be conjured up so far as this particular language is concerned. Our friend from Michigan is unduly alarmed about what may be done politically by the Reconstruction Finance Corporation.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. JOHNSON. I yield.

Mr. LOGAN. I do not think the Reconstruction Finance Corporation would play any politics; but what are we going to do in a situation like this, Mr. President?

Suppose we have a municipality with an administration in charge affiliated with one of the parties, and it follows the practice of employing no one on any character of work except a member of the political party in power. If we loan the municipality money, and it employs only members of the party of the administration, then will not the question of unemployment be thrust into politics?

Suppose a highway commission should say that it would not employ anyone but one of its own party. How would the Senator take care of a situation of that kind?

Mr. JOHNSON. Mr. President, I come from the far West. I come from a State that has had some regeneration politically in the past. I can not conceive of contractors upon the roads hiring only laborers and others there who belong to a specific or a particular party. I do not pretend to say what may exist in other places; and, therefore, with my lack of knowledge of any such situation, or the possibility of any such situation, I am unable to answer the query of the Senator from Kentucky.

Mr. WALSH of Montana. Mr. President, I do not understand why the Senator should offer this amendment he has offered. The bill provides that—

Such loans shall be made under such terms and conditions, with such security, and in such amounts and for such periods (not exceeding 10 years), as the Reconstruction Finance Corporation may prescribe.

The loan must be paid within a period of 10 years.

Mr. COUZENS. But may I point out to the Senator that amendments have been made to permit the Reconstruction Finance Corporation to go into the security business? It may bid in the open market for these securities. It may even underwrite a contract, under the amendment of the Senator from California.

Mr. WALSH of Montana. But, Mr. President, let me remark to the Senator that by the very terms of the measure that is simply one way by which the corporation may make a loan.

Mr. COUZENS. But if, as the Senator from California wants and as he says is required under the charters of the cities, they must sell their securities only by offering them for public sale, therefore the Reconstruction Finance Corporation are authorized, under the amendments made, to bid for securities which may run 20 years, 30 years, 40 years, or 50 years.

Mr. WALSH of Montana. Nevertheless, the loan must be paid back within the 10 years.

Mr. COUZENS. But if they buy the securities, it is not a loan.

Mr. WALSH of Montana. But it is a loan. The very security is a loan. "The city of San Francisco hereby agrees to pay to the bearer," at a certain specified time a certain amount of money. That evidences a loan. Loans are made by the sale of bonds.

Mr. COUZENS. For how long?

Mr. WALSH of Montana. For whatever period the bonds run, but under this bill the loan must be repaid within 10 years, and accordingly the securities purchased must mature within that period.

Mr. COUZENS. I am glad that has been developed, then, because the Senator from California proposes that these bonds be bid for by the Reconstruction Finance Corporation for the length of time that they may be issued, regardless of the 10-year limitation.

Mr. WALSH of Montana. Let me read the language of the bill. After authorizing loans to be made to States, municipalities, and public subdivisions, it continues, "such loans to be made through the purchase of their securities."

Then on the succeeding page the bill provides that such loans shall be made upon such terms and conditions and upon such security and in such amount and for such period, not exceeding 10 years, as the board may prescribe.

Mr. COUZENS. The Senator has not the amendments there.

Mr. JOHNSON. Mr. President, may I call to the attention of the Senator from Montana, so that he will not be in error in respect to the matter, that, at the instance of the Senator from New York, an amendment was adopted yesterday which in certain instances eliminates that particular provision in reference to the 10 years.

Mr. WAGNER. So far as the purchase of bonds is concerned, that is true, where that type of loan is made.

Mr. JOHNSON. That was done yesterday.

Mr. KING. Mr. President, will the Senator from California yield?

Mr. JOHNSON. I yield.

Mr. KING. I am interested in the suggestion just made, because I was absent from the Chamber attending a committee meeting, and I did not know of any modification of the provision with reference to the time not exceeding 10 years. If that has been eliminated, and the time has been extended to municipalities or to these corporations to 30 years or more, for more than 10 years, I think it is a very unwise provision. I should be more inclined now than ever to support the amendment of my friend from Michigan.

Mr. JOHNSON. That was done by amendment yesterday, duly adopted, presented by the Senator from New York. I did not want the Senator to be under any misapprehension in respect to the matter. That is quite so.

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Hebert	Pittman
Austin	Costigan	Johnson	Reed
Bailey	Couzens	Jones	Robinson, Ark.
Bankhead	Dale	Kean	Sheppard
Barbour	Davis	King	Smoot
Bingham	Dickinson	La Follette	Steiwer
Black	Fess	Logan	Thomas, Idaho
Blaine	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Townsend
Bratton	George	McNary	Trammell
Brookhart	Glenn	Metcalf	Tydings
Bulow	Goldsborough	Moses	Vandenberg
Capper	Gore	Neely	Wagner
Caraway	Hale	Norbeck	Walsh, Mass.
Carey	Harrison	Norris	Walsh, Mont.
Cohen	Hastings	Nye	Watson
Coolidge	Hayden	Oddie	White

The PRESIDING OFFICER. Sixty-eight Senators having answered to their names, a quorum is present.

Mr. KING. Mr. President, I did not know until a moment ago, when the Senator from California [Mr. JOHNSON] mentioned it, that it was contemplated that the Metropolitan Water District of California intended to seek a loan of two hundred or more million dollars, to build an aqueduct or viaduct. I had some predilections against the bill, but hoped to find sufficient merit in it to command my support; but if the Government is to supply stupendous sums for aqueducts and viaducts to one corporation, or to a few, I think the predilections may be crystallized into disapproval of the bill.

We voted a short time ago an authorization of \$165,000,000 for the construction of Boulder Dam for the benefit of California. It was stated when that important project was under consideration that California had sufficient resources and wealth that she could handle the project alone; that if the Federal Government would abdicate its authority and turn over to California or some of its municipalities the construction of the dam she would not only finance it but also construct the necessary viaduct, and the Federal Government would not be called upon for a single penny.

It was, however, believed by Congress that the Federal Government should not relinquish its authority over the Colorado River and grant to California a franchise for the construction of the dam and the unlimited control over the power which might be developed.

Now, having obtained the authorization of \$165,000,000, we are given to understand that an application will be made under this bill for an appropriation which may be, as one engineer has told me, more than \$200,000,000 for the construction of the aqueduct and needed auxiliaries. If \$200,000,000 were taken from this fund for this one project it

would be too great a drain upon it. In my opinion, the Government should not tax the people to build viaducts and aqueducts and many of the projects falling under the terms of this bill.

This fund, large or small, should be spread over the United States as far as it is practicable, just, and fair. By that I mean there ought not to be a concentration of loans and credits in a few localities or a few States. It is for unemployment everywhere in the United States, not in California alone or in Michigan or in any one State. I protest against a policy being incorporated into the bill that would permit \$200,000,000 or more to be taken from the fund for the purpose of constructing a viaduct or aqueduct or any one project in any locality.

I regret exceedingly that the bill is broad enough to be interpreted as permitting this course. I indicated a few days ago, when I called attention to subdivision (2) of section (a) on page 101, that I objected to the provision that loans might be made "to private corporations to aid in carrying out the construction of bridges, tunnels, docks, viaducts, waterworks, and similar projects devoted to public use and which are self-liquidating in character." I shall move to strike that provision from the bill before final action is taken upon it.

In view of the understanding which I have as to one of the purposes back of the bill, the purpose I have just indicated, and with the understanding that the bill is susceptible of that construction and is to be so interpreted, I shall be reinforced and fortified in my desire to have that provision of the bill eliminated.

Mr. REED. Mr. President, will the Senator permit a question?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Pennsylvania?

Mr. KING. I yield.

Mr. REED. I understand the bill appropriates about \$1,500,000,000 in effect for various sorts of public projects. If California is to get one-fifth of that total amount and New Orleans is to get another \$100,000,000 for a bridge and New York City is to get another \$100,000,000 for a bridge or for a tunnel under the East River, it is perfectly obvious to me that the demands to be made upon the fund will be many times \$1,500,000,000. As the bill now stands who is to resist these demands and decide between them?

Mr. KING. Of course, there would be political and other pressure brought upon the board. The members of the board are human and they will be called upon to exercise great courage in meeting the demands made and the pressure to which they will be subjected. We learned a few weeks ago that the Reconstruction Finance Corporation Board had been called to the White House to confer with the President, and the next day the newspapers carried a statement purporting to emanate from the President or a representative of the President that a given sum was to be loaned to the railroads.

The board should be left to decide the question before them without interference by any person or official of the Government. If the board may not exercise, untrammelled and unafraid, the heavy responsibilities resting upon it, then we can not expect that measure of success which otherwise would attend their labors.

Mr. REED. The amount of money made available by the bill is about \$1,500,000,000, the total yield this year of our income tax on individuals and corporations. If I understand correctly the appropriation and application of the fund is to be decided entirely by the board of directors of the Reconstruction Finance Corporation. Is that correct?

Mr. KING. That is my interpretation.

Mr. JOHNSON. Mr. President, first let me ask what is this bill? What is its design? Its design first is the relief of our people. Its design first, as I regard it, is an endeavor in some way to mitigate the human misery that is now abroad in this land. It is not designed originally for the purpose solely of making loans, but it touches certain particular activities, activities that are self-liquidating in character and which will give employment to our people, and wherever there is a self-liquidating activity which will give

employment to our people, there then is one of the purposes to be subserved by the measure in question, if it be, of course, financially sound and if it comply in all regards with the various methods that are prescribed by the bill.

Mr. President, let me digress for just a moment. We have been mighty kind to great institutions in this land by legislation we have enacted. We have endeavored in every fashion that we could to minister to those institutions that said they were in want financially and that they required aid from the United States Government. We have sought, sir, by the Reconstruction Finance Corporation, not only to aid the banks but to aid railroads. There is another duty and a higher one that we owe to the people of the United States besides rendering financial aid to railroads and to banks.

We have before us out here within a step of the Capitol, and we saw before us last Friday when we were voting upon the so-called bonus bill, the evidence of an economic disease which to-day afflicts the United States of America. Blind, however, we have been, except in one small particular, to the evidences of that disease and deaf to its anguished call. Deaf we have been to the cry that has come from all over the land in behalf of those who require, who demand, who ask, who beg, who plead with us for employment. There is talk around the Chamber now about an adjournment on Saturday night, and rushing this bill every hour, early and late, in order that we may get out of here Saturday night next. I want to enter my solemn protest, sirs. While misery stalks in this land, while we are here to do a duty unto our people, I want to register my protest against an adjournment until that duty shall have been done, and done to the best of our ability.

I will not admit, sirs, that I am so bankrupt in ability to afford relief to a stricken people in this land that I have got to get out of here, sneak out of the city of Washington at anyone's command, without having done something at least for the relief of humanity in the United States. So, sirs, we should sit here just as long as it is necessary until that relief is afforded; and whether it takes until Saturday night, until a week from Saturday night, or a month from Saturday night, the obligation rests upon the men who believe that they owe an obligation unto humanity, as well as unto banks and railroads, to sit here and do their job and do their duty by human beings.

Now, Mr. President, recurring to the matter immediately before the Senate, it is asserted by the Senator from Pennsylvania [Mr. REED] in his peculiarly lugubrious manner that a single particular enterprise in the State from which I come might receive a disproportionate amount; but our first concern is relief for unemployment, and that relief which would be afforded in the matter of a loan for a great constructive enterprise that is secured by billions of taxable and assessable property in southern California, a security which would be ample under any and under all circumstances. But he insists that if that relief shall be accorded, somebody else might be left out or somebody injured. Of course, the Reconstruction Finance Corporation would prevent that. But if that be so, let us increase the amount under this bill that by the Reconstruction Finance Corporation may be put to the uses that we seek to put the amount that is appropriated under this measure. If it be necessary in order to put to work people in this land, if it be essential in order that there may be some jobs given to just some human beings to increase the amount, let us increase it, and fear not that we may affect the finances of the United States of America, because in every instance in this bill we provide for security that shall be accorded the United States Government and the Reconstruction Finance Corporation when any loans may be advanced under the provisions of the measure.

We need not worry our heads with \$1,250,000,000 or \$1,500,000,000, as the case may be. If the security be accorded and if more money is necessary, let us go the limit and, for the love of God, let us not get out of here until we have gone the limit in behalf of suffering human beings. We have not discharged our duty, our obligation is not at an end when we have merely given millions and billions to banks and to railroads. Something else, something else that

is more precious in this country, needs to be ministered to by the Congress—people, just common, ordinary, everyday men, women, and children. They must be ministered to by the Congress before it adjourns, and if they are not we are derelict in our duty and worse than derelict in our duty.

Now it is asserted that the amendment presented by the Senator from Michigan [Mr. COUZENS] first was a definition of a self-liquidating corporation. That we disposed of. The amendment, hastily written unquestionably, not considered at length at all, was found to do no more than the bill itself did in the matter of a definition. Now the amendment has been boiled down to just one proposition, the proposition of limiting to a 30-year period any bonds that may be taken in reality by the Reconstruction Finance Corporation. In the bill, with meticulous care, the provision is written that within a reasonable time it shall be determined that the tolls and the rates and the charges and the rents will pay off the entire construction price. More than that ought not to be asked. More than that ought not to be required. There is no reason for writing a hard and fast rule of 30 years or 20 years or 10 years or 50 years or 35 years. There within a reasonable time the bill provides the tolls must pay the entire construction cost, and therefore we insist that the bill as it is written by its authors with such care and the provisions of the bill should prevail and the amendment should be defeated.

Mr. PITTMAN. Mr. President, there is nothing in the bill that I can find with regard to California. There is nothing in the bill that I can find with regard to the metropolitan water district. I do not know whether it is a self-liquidating project or not. Even if it is determined to be a self-liquidating project, there is nothing in the bill that requires the Reconstruction Finance Corporation to give them \$200,000,000 or \$300,000,000. They can give them \$1,000,000 or \$2,000,000.

I wish to invite the attention of the Senator from Pennsylvania [Mr. REED] to the fact that there is no danger of one-fifth of the money or one-sixth of the money going to California under the policies of the present Reconstruction Finance Corporation. There is nothing in the bill that mentions California or the metropolitan water district. There is not a provision in the bill which compels the corporation to construe this aqueduct project as being a self-liquidating project. There is nothing in the bill to require them, in the case of a self-liquidating corporation, to give them all they ask any more than there is in the existing Reconstruction Finance Corporation act any provision that requires that corporation to give any bank all it wants or to give any railroad all it wants. As a matter of fact, so far as I know, the Reconstruction Finance Corporation have not given any applicants all they want. This project is in exactly the same position as all projects under the existing Reconstruction Finance Corporation act. To that extent the corporation has jurisdiction under the present law. They determine first whether or not there is an actual need for a loan; having decided there is an actual need for it, they determine whether or not it will be to the public benefit; then how much the project itself can contribute and how much the corporation will put up. There is no distinction whatever between the provisions of the existing law and this provision. This is merely the provision which the President of the United States approved and is exactly in the same amount, but he differed with the committee as to Government works.

The President was in entire accord with the speech made by the Senator from Arkansas; he thoroughly approved of \$1,500,000,000 being made available to the Reconstruction Finance Corporation to aid self-liquidating projects, and that is all this proposes.

If there were a provision that the Reconstruction Finance Corporation had to loan to each and every self-liquidating project all they ask, the chances are there would not be enough money in the world to do it; but they have not done so, and there is nothing like that contemplated here.

Mr. REED. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Pennsylvania?

Mr. PITTMAN. I yield with pleasure.

Mr. REED. I am not concerned about what the President has or has not recommended, and I am not very much concerned about what we have voted and what we have not voted; but I am very much concerned about where we are now heading. We are putting about \$3,500,000,000 all together, including the amount made available under the original Reconstruction Finance Corporation act and the amount proposed in the pending measure, in the hands of a board of directors to apportion very much as they see fit. They are patriotic men and they will no doubt try to act wisely; but when we consider the power we are giving them and then consider the way we quibble and haggle here over little items of appropriation for the departments, the contrast is rather shocking. So I am wondering if Congress is not abdicating its appropriating power here and turning it over to a board with possibilities of endless quarreling about the manner in which they will administer their task. I should like to hear what the Senator from Nevada thinks about that.

Mr. PITTMAN. Mr. President, in the first place, it depends entirely on whether the Senator from Pennsylvania agrees with the Senator from Nevada that, the banks being either unable or unwilling to lend money, we have got to seek credit from the only other available source, which is the Government. I think we agree on that, because I believe the Senator from Pennsylvania voted for the Reconstruction Finance Corporation act and for the Glass-Steagall bill. So we are in accord on the fundamental principle that the only source of credit that seems to be available nowadays is the Government. We felt that the banks needed to be relieved, and so we passed the Reconstruction Finance Corporation act, but it cost money.

Mr. REED. Mr. President, if the Senator will excuse me, I was not in the least bit concerned about the banks as banks, but I was concerned very much with the human beings who were their creditors, their depositors, and with stopping the panic which was spreading over this country like a black cloud, and which we did stop. We did things and I voted for measures that I shall probably always regret.

Mr. PITTMAN. Mr. President, it is utterly immaterial to me what were the inner motives that moved the Senator from Pennsylvania. The fact is that he was willing to have the credit of the Government extended to banks and to railroads in the sum of billions of dollars.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. PITTMAN. Let me first answer the question. I assume that the Senator from Pennsylvania voted for the legislation on the same ground that I voted for it. We voted for extraordinary legislation under extraordinary conditions. We were about to have bankruptcy which would have affected everybody. So we passed the legislation. We found that after we passed those two acts conditions did not improve as we had hoped they would; in fact, they grew worse. There was more unemployment, commodity prices fell, the output of factories declined. We met the danger by authorizing the creation of the organization which the Senator now hesitates to trust. If he knows of any organization that can better be trusted, I will join him in placing the power in its hands. We put it in the power of the corporation which he now hesitates to trust to spend billions of dollars to meet an emergency. The emergency is greater now than it then was, and should we now hesitate?

Personally I am more interested in relieving unemployment than I am in helping private institutions. Our committee has tried to find a way by which first we could spend money on Government work. We found that we could not spend over \$500,000,000 on Government work in the near future—that is the testimony of the experts—and that is not enough, as we all admit, though it will help considerably.

Then we go farther. We say there are certain municipalities and quasi municipalities or instrumentalities of munic-

ipalities which have been organized in various ways, which really are working for municipalities, which are prepared to carry on projects for the public use, and which will employ many men; and we say it is safe to lend them money under the condition that the rates which they collect—not taxes, mind you, but the rates they collect—will pay back the loan with interest.

The primary purpose, of course, is to secure employment for people, but at the same time the loan is safe and does not depend on taxation. Therefore we all agreed, I thought, that, in addition to the Government work, so far as we could provide Government work, we would aid municipalities or quasi municipalities and instrumentalities of municipalities in carrying out projects for the public use by making to them loans which, in the opinion of the Reconstruction Finance Corporation, would be safe not by reason of the taxing power but by reason of the tolls, rentals, or rates. Having determined upon that policy we have not hesitated to aid such work in going forward.

Mr. REED. Mr. President, will the Senator permit an interruption?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Pennsylvania?

Mr. PITTMAN. Yes.

Mr. REED. With most of what the Senator says, I am in full agreement. I do not agree that the emergency is the same as that which we faced in December. Then we were facing a panic which we tried to stop and to a large extent did stop. Now we are facing the most abysmal human misery. It is not panic, but it is probably much longer enduring than panic and much more deep-seated and harder to stop. If there are 10,000,000 people out of work in this country, the wages which they ought to get would be somewhere from twenty-five million to fifty million dollars a day, and the amount that we are appropriating by this measure is not a patch on the amount that will be needed to relieve those people. We are in perfect agreement about that; but it seems to me that demands on this fund will be so many—and they will be backed up, all of them, by political pressure—that I do not see how any board of human beings can be expected to make a success of the apportionment of the money. That is what is bothering me.

Mr. PITTMAN. Yes; that bothered some of us and still bothers some of us; and whenever the Senator can suggest anything better I know everybody here will accept it.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. PITTMAN. I yield.

Mr. NORRIS. Any criticism that I heretofore have made of this bill in the debate is not that the amount is too great, and I am not worried about the exhaustion of the funds provided by the bill. If we can use the money where it will employ labor, and if the fund is not large enough, make it larger; I think it ought to be larger. What I am particularly interested in now in connection with the Senator's very interesting discussion of the subject under consideration is, What will be the effect upon the employment of labor in connection with the particular kind of construction work about which the Senator is speaking? Will it afford a practical means of giving employment to men?

Mr. PITTMAN. I will try to answer the Senator's question.

Mr. NORRIS. I should like to hear the Senator's ideas on that question. If we can employ labor and do a legitimate job, it will be a benefit. The amount involved, to my mind, is a secondary consideration. Of course, I do not want to spend anything for nothing. I realize, however, that if we accomplish the real object, namely, to get rid of unemployment in this country, we must expend or provide for the expenditure of an enormous amount of money. To my mind, that is the best way to afford purchasing power to the millions of people who instead of requiring some charity to support them will themselves, after they have jobs, have a

purchasing power that will do more to restore prosperity than anything else we can do.

Mr. PITTMAN. If this measure does not accomplish that purpose, then, of course, it is a failure.

Mr. NORRIS. That is right.

Mr. PITTMAN. And, of course, that is not the intention of the committee which drafted it.

The Senator from Pennsylvania says that conditions now are not worse than they were when we passed the Reconstruction Finance Corporation act.

Mr. REED. No; I did not say they were not worse; I said they were different.

Mr. PITTMAN. Very well; I probably have not interpreted the Senator's language correctly. He said we were threatened with a panic then, and now we are threatened with human misery. If being threatened with misery is not worse than being threatened with panic, then there is a difference of opinion about it. We were threatened with bank failures, which ultimately bring misery; we were threatened with railroad receiverships, which, of course, are bad. We will admit that the two acts which we passed checked the condition in that respect; I hope they did. However, the Glass-Steagall bill has not been availed of by the banks. The Senator from Virginia [Mr. GLASS] the other day stated that out of the two or three billion dollars available for circulation only \$40,000 had been availed of. However, that is not the question. If the conditions are not worse, it is because we do not look at them in the same way.

When the Reconstruction Finance Corporation act was passed the Steel Corporation was working 20 per cent of capacity. To-day it is working but 17 per cent of capacity, and every time there is a decline in operations men are discharged and cease to be purchasers. The operations of industry have dropped ever since we passed that act, and it is admitted that unemployment has increased, and that is perfectly natural. Commodity prices have dropped off, so that the purchasing power is less. So far as I can see we are in a far more desperate condition than we then were.

What we have provided has done its work to the extent it has done it, and no more; but something else must be done. We propose to do it. Some say let private industry do it. Well, private industry can do it if it wants to or knows how to do it or is able to do it; nobody is holding it back. We have made available \$1,000,000,000 for the banks, and have made available currency through the Glass-Steagall bill, but it is not being used. We have reached the limit probably under the Reconstruction Finance Corporation act of saving railroads and banks; but still something must be done. Now, what are we going to do? The committee proposes an expenditure of \$500,000,000 on Government works immediately; others propose \$5,500,000,000.

It may be asked why we agreed on \$500,000,000. I will tell you why—because we wanted works that had been surveyed, estimated for, authorized, and were ready to start, or that could start almost immediately. We called in Colonel Sawyer, of the Stabilization Board, who had been appointed under act of Congress to find works of that kind, and he brought them to us. We called in General Brown to tell us what there was in rivers and harbors, and he brought them to us. We called in the head of the Road Department, who brought them to us. We asked, "What can we start on?" and they showed us; and, strange to say, the total did not come to \$500,000,000. It came to only \$300,000,000; and we left \$200,000,000 surplus to lift out of current appropriations things like the Boulder Dam project, which is a going concern, or an investment, if the President saw fit. Therefore we want more employment. All right. We are opposed to lending money to private corporations, private industry. Why? Because there is no limit to it. There is no end to it.

So we sought certain kinds of industries that we felt sure of. We did not propose to lend every municipality in the United States, because that was without limit. We did not propose to lend to any of them for miscellaneous purposes. We first came down to it and said, "Where is there a municipality or an instrumentality of a municipality that

is ready to go into new construction that will hire labor? That is the thing"; and we commenced to look over the country to see what they were.

They are scattered all over the country. There is not money enough to carry them all on, and no one ever thought for one moment that they would all be carried on. There is money enough, however, to divide up among them, to carry them over two years' time, probably, or one year's time, in the hope that this condition will lift, and our normal finances will take care of them.

This is only emergency aid. This is not to build these projects. The idea of conceiving the proposition, because this project in California will cost \$250,000,000 or \$300,000,000, that it is anticipated that it is to be built through the Reconstruction Finance Corporation. There was no such thought. They would probably buy \$10,000,000 worth of bonds. That \$10,000,000 worth of bonds would keep that work going on probably for a year, which is preliminary shovel work. Now the Senator asks whether or not it will pay.

What difference would it make, as far as the employment of labor is concerned, whether that aqueduct, 300 miles long, consisting of concrete and steel and tunnels and other features of an aqueduct, was built by the United States Government or built by this semimunicipality of southern California? The same number of men would be employed. The same materials would be bought. The same thing would go on.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. PITTMAN. I yield.

Mr. NORRIS. The Senator puts his remarks in the shape of a question. If he is addressing it to me, I will say that it would make no difference to me.

Mr. PITTMAN. I knew it would not. That is the reason why I did not hesitate to address the question to the Senator.

That is what we are looking for. We have exhausted, in our investigations, those Government works that we can start in the near future; and it is not next winter that we want to do these things. We want to give men work now, and it comes to only \$500,000,000. Therefore we are looking around for somebody else to do the same kind of work when we know it is perfectly safe, not depending on taxation or credit. What do we do? That is what we call a self-liquidating project—something that does not depend upon taxes, that does not depend upon the credit of a State or a county or a municipality, but depends upon the dimes, quarters, and halves that come in from the operation of the project.

Take California again, as an illustration. I am sorry that matter got into the debate, because the bill does not say anything about it. Personally I know very little about it; but I know that it will employ a lot of men. It will buy an enormous amount of material that will come from nearly every State in this Union, and the making of that material will hire men in every State in the Union. It will do just as much as if the Government did it. Whether they can bring themselves within the definition or not, I do not know. If they have to depend on taxes, then they do not come within the definition. If they have legal authority to set aside a part of the returns from water that they sell in that great country down there, they will have ample to amortize that whole investment, with interest, in 30 years. I want to say, however, that I think even the Senator from California [Mr. JOHNSON], who has a higher opinion of the wealth and glory of California than almost anyone except other Californians, would not expect, out of a fund of \$1,500,000,000, to get nearly \$300,000,000.

Mr. JOHNSON. Mr. President, if the Senator will yield, may I say that he is entirely correct. Of course not. Not only that, but what would be accorded to the metropolitan water district if it made an application for a loan would be a small moiety in the beginning of that loan; and then, God willing, if things get better in this country, the bonds

that have been voted can be sold, and we will go on on our way to prosperity again.

Mr. PITTMAN. I may have another thing to say in regard to this:

The Reconstruction Finance Corporation is certainly in charge of men who are not extravagant, who are not over-cautious. They may have different ideas from me as to what is sound business or what is a sound locality of this country. While they have been charged with having over-loaned to some of the railroad companies, the fact remains that they did not lend them all they asked for. They did not lend the banks all they asked for; and they still have on hand about half of the \$1,500,000,000 that was made available to them. They are cautious gentlemen. If other Senators can conceive for one moment of the chairman of that board lending one-fifth of the entire fund to Southern California, I can not. It will not be done, nor to any of them.

As I said before, this \$1,500,000,000, if it were used in full, would reach nowhere; but we have projects all over the United States similar to that, and what is the result? I tell you that the banks of southern California are full of money, and yet they will not buy those bonds. Let the Reconstruction Finance Corporation, for instance, come in and buy \$10,000,000 worth of those bonds, and we will find the banks in that community coming in to get the bargains themselves. That is what we are helping to bring about.

We are in this peculiar position, however, with regard to this bill, and it is a discouraging position: All of us are attempting now to start industry and employment, and yet where do we find ourselves?

Here is a bill that provides for the expenditure of money in three ways:

First, by Government works.

Second, by self-liquidating municipal or semimunicipal corporations.

Third, the \$300,000,000 that we already have passed for the purpose of relieving destitution. We thought everybody was in favor of the \$300,000,000, and yet it has not passed another House.

We come in here, and we find Senators like the Senator from Pennsylvania [Mr. REED], who is opposed to any appropriation to carry on Government works—I charge that, and I think I am right—who indicates that he is opposed to lending any money to any municipal corporation or any instrumentality on a self-liquidating project that will be economical and is going to employ labor. He objects to any move. He admits that unemployment is increasing and destitution is getting worse, and he has nothing to offer. On the other hand, we have here those who are deeply sympathetic with the condition of unemployment and destitution in this country, who take the other extreme view—that they are not satisfied with this bill that we have offered because they want \$5,500,000,000 for Government works, and possibly nothing to be expended through self-liquidating municipalities or corporations.

Where are we going to wind up with this kind of a fight? Is there no spirit of compromise or get together here at all? Is this condition to go on forever?

Some Senators agree with us, probably, that Government works are right, but not enough. Others do not want any money spent on Government works at all. Others do not want any money advanced at all except under the present law, the Reconstruction Finance Corporation act, to banks and railroads. Are we going to stand here and fight for weeks and weeks over our own individual ideas, and get nowhere at all? We have done that before this session.

Why this misconstruction of an act that is so plain? Why should an intelligent Senator rise on the floor and say, "If I had known it was proposed to lend three hundred millions to the Metropolitan Water District of Southern California I would have been shocked, and I tell you now that I would vote against it," when there is nothing of the kind in the bill? Why, even the distinguished lawyer and Senator from Pennsylvania was shocked when he under-

stood that the bill was to give one-fifth of the whole fund to southern California. He even distrusted the Reconstruction Finance Corporation, his own creature.

If I have any distrust of it, I have not mentioned it. I have not said so. As a matter of fact, under this bill we are willing to trust them, with the limitations we have in the bill. We have attempted to define as carefully as we can define those things that are self-liquidating projects.

Mr. GLENN. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Illinois?

Mr. PITTMAN. I yield.

Mr. GLENN. In view of the fear that has been expressed by the Senator from Utah and the Senator from Pennsylvania, I wonder what the Senator from Nevada would think of an amendment limiting the amount that any one corporation may borrow, so that this talk about \$300,000,000 being loaned to this particular project would be out of the picture?

Mr. PITTMAN. I think that is like a flat cut of 10 per cent on an appropriation bill. I think that when we try to substitute overcaution for intelligence, we are making a mistake. That is my theory about the matter. The idea of saying that we can parcel out on the floor of the United States Senate how much shall be expended on this project and that project and the other project! We must have some one in whom we can trust, some one of intelligence, to determine the amount that can be granted to a defined concern to go on with its work, in the hope that there will be a return of prosperity or a return of action by the banks of this country. Any attempt to say that there shall be only this or that loan to this or that company, when we do not understand what it means, to me is begging the question.

Mr. GLENN. But here are very serious fears voiced that \$300,000,000 of this fund, or one-fifth of it, will be loaned to one project. I do not share in that fear myself; but I do not know but that it would be helpful to have an amendment that they could not loan 20 per cent to any one project. I can not see what harm it would do to fix some reasonable limit. It might obviate some of these objections.

The Senator from Nevada emphasizes the great importance of Senators giving way in some degree to each other's feelings and judgment. I should think that if we could assure the Senator from Utah [Mr. KING] and the Senator from Pennsylvania [Mr. REED] that this fear which they entertain is not to be realized, it might possibly be helpful.

Mr. PITTMAN. I am not a bit afraid that the chairman of the Reconstruction Finance Corporation is going to lend any too much money out through the country.

Mr. GLENN. Ah, but they are! The Senator from Utah is, and the Senator from Pennsylvania apparently is.

Mr. PITTMAN. That is all I have to say with regard to drifting away from the provisions of this bill. In the first place, it is assumed that this California corporation is mentioned in the bill. In the second place, it is assumed that it comes within the terms of the bill as a self-liquidating institution. I do not know whether it does or not. If they can bring it within the terms of the bill, that is another thing. In the third place, it is within the judgment and discretion of the Reconstruction Finance Corporation as to whether or not they need any aid; and if so, how much they need; and that is a matter of judgment.

No bill can be drawn, so far as I know, without limiting it purely to public works and leaving it in the department that runs Government work, and there again we have to trust somebody in the matter.

We have adopted the Reconstruction Finance Corporation in this measure as the instrumentality to handle the financing because we have started with them, and because they have an organization, and because they have a foundation of credit. They have about exhausted their activities as far as the railroads or the banks are concerned. Now we would like to get them busy, not on railroads and banks, but get them busy on these self-liquidating propositions, such as what we are now discussing, to start them, when they are

already smothered and frozen by reason of inability to get bank credits.

Mr. BORAH. Mr. President, I wonder if we are really making any progress by holding these night sessions. We have been in session now since 11 o'clock without intermission. I understand it is proposed to run on into the night.

I assume that these long hours, these long sessions, are held with the design and the hope that we will get away from here next Saturday. There is no possible way for us to get away from here next Saturday except to quit work. We can not finish. It is impossible to pass measures which are here on the calendar, for which there is a public demand that there be consideration, by next Saturday. That being true, I do not see why we should continue these night sessions.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. ASHURST. Mr. President, I have been so anxious to finish the work of the Senate and to conclude by next Saturday that my anxiety even led me into a speech last Saturday, which I think gave temporary offense to some Senators.

I should like very much to leave here next Saturday or Sunday. One of the keenest disappointments I shall probably have in public life will be my failure to leave here next Saturday. But it is now obvious to me that I am going to be disappointed, and possibly a great convention will be disappointed at my absence. [Laughter.] It is now obvious to me that we can not in workmanlike manner, with justice to ourselves and to the Senate and the country, finish our labors by Saturday.

I am trying, with the best sportsmanship and fortitude of which I am capable, to bear this disappointment. I have come to the conclusion that it is fantastic for us to attempt to drive all these great bills through the Senate in the next three or four days. It can not be done. We can not digest them, we can not even read them all. So, as far as I am concerned, I have during this afternoon come to the conclusion that I should relax any further attempt to speed up the Senate, and put the whip and spur to it, if I have been trying to do it, because it would not be fair to the country or fair to the Senate. So realizing we can not finish by Saturday, I therefore drain the bitter draught, and hope that the convention at Chicago will bear its disappointment arising from my absence as becomingly as it may. [Laughter.]

Mr. COPELAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from New York?

Mr. BORAH. I yield.

Mr. COPELAND. I hope the Senate will bear with me if I pose for a moment as a doctor.

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from New York for a statement?

Mr. BORAH. I yield.

Mr. COPELAND. The most dangerous man in the world is a tired surgeon or a worn-out doctor. We are dealing with a disease of the body politic, and it is very important that the legislative doctors be in vigor and health.

I have no doubt that the Senator from Arizona will have a greater chance of going to the convention on Saturday or Sunday if the Members of the Senate come to their work refreshed and ready for active service during the seven or eight hours of the daytime.

I agree fully with what the Senator from Idaho has said. It is not right for men to attempt to do the sort of work expected to be done by us if we come here worn out, with frayed nerves, and unfit for the great responsibilities which rest upon us.

No one can be more eager than I am to go home. I am not going to the convention, so I am not distressed about that, but I am just eager to go home. But, Senators, we can not do effective mental work if we have tired bodies, and I believe from the bottom of my heart that we will

make greater progress by a reasonable limitation of hours of work than by attempting to stay here in continuous session long past the time when tired bodies are capable of functioning as they should.

I agree fully with the suggestion made by the Senator from Idaho, and, further, no matter how eager we are to get away, for one reason or another, we will make greater progress and get away more quickly if we function as normal human beings, instead of treating ourselves as we are doing by these unwonted hours of labor.

Mr. SHIPSTEAD. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield?

Mr. BORAH. I yield the floor.

Mr. SHIPSTEAD. I just wanted to say that it seems to me ridiculous to sit here tired, as every one of us is, and try to write a bill of this immense magnitude on the floor of the Senate. Amendments have been offered and accepted here and I have not had the capacity to digest the meaning of all of them, and certainly I do not know how to vote on the pending bill. Possibly others are not so embarrassed, but it seems to me that if we are going to continue with these night sessions and this terrific drive when we are half dazed with weariness, it would be far safer, if we are going to appropriate a lot of money to save the world, to pass a resolution appropriating five hundred thousand million dollars and turn it over to a committee and go home. That seems to be the spirit of the Congress. If that is what we are going to do, let us do it and be done with it. If it is to be done, let it be done quickly.

If we are going to try to write some sane legislation and find out where all this money is going, let us take time to sleep, so that we shall be refreshed and can give proper thought to the matter. Let us take time to inquire as to where the money is to be spent. If it is to give relief for unemployment, let us find out how many men can be employed. This idea of just writing a blanket bill for the appropriation of a great deal of money in the hope that it will do some good does not seem to me worthy of the Senate of the United States.

If we have not the time to write legislation which can be thought through carefully and discussed thoroughly, if we have not the time to stay here, let us quit without passing any legislation. If we are going to pass legislation, let us get our sleep, our rest, so that we will be fit to appear here and at least give somewhat intelligent thought to what we are doing.

Mr. PITTMAN. Mr. President, I am not in charge of this bill, but as one of those who has supported it, I feel that Congress should act on this legislation in whatever form it is finally framed before we adjourn, and as well on some other legislation. Therefore, I have always hesitated to oppose long sessions, which may appear inconsistent. But I have almost come to the conclusion as stated by others, that it is evident that it is hardly probable that we can possibly finish here by Saturday the matters which some of us want to be here to vote on; and if our desire to leave on Saturday is to be disappointed, and we are to be here on Tuesday and Wednesday while the great convention is adjourning, I would rather be here from 12 until 5 o'clock for a month than to be here for one week the hours we have been meeting.

Mr. WAGNER. Mr. President, as one possibly who may be regarded as in charge of this bill, I want to join in the suggestion made by the Senator from Idaho. I am not very much concerned whether I leave here on next Saturday or next Saturday week. I am concerned, however, that the Senate take some action upon this important bill, together with other bills which are pending. I feel confident that in the end we will do better and more intelligent work if we have our daily sessions, and in the evening an opportunity to refresh ourselves and to consider the proposals made during the day.

Mr. FRAZIER. Mr. President, I want to call to the attention of the Senate the fact that thus far no particular legislation has been passed at this session of Congress for the farmers of the country. The farmers are in worse condi-

tion, if possible, than the unemployed themselves. It is true that most of the farmers have enough to eat, but their homes have been foreclosed upon and sold under the hammer over their heads, and in millions of instances their lands have been taken away from them.

Something must be done for the American farmers if they are to continue to be home owners and land owners, and something should be done by all means at this session of the Congress.

The other day the farm relief bill was recommitted to the Committee on Agriculture and Forestry. During the last Congress I introduced a bill for the relief of agriculture, and I introduced the same bill early in this session. We had hearings upon the bill in February, and after some lengthy discussion in the Committee on Agriculture and Forestry, the bill was reported to the Senate and placed upon the calendar on May 14. It is Senate bill 1197, Order of Business 737 on the calendar. It is known as the refinancing bill to liquidate and refinance agricultural indebtedness.

The leaders on this side of the aisle have promised me consistently that they would do everything in their power to help me bring the measure to a vote. I can not see any way possible of getting a vote on the pending bill by Saturday night, and I think it should be passed, and there are a number of other bills that ought to be passed. I want some assurance that I am going to get consideration of the farm bill I introduced, Senate bill 1197, or I want to serve notice here and now that I will offer the bill as an amendment to the pending bill and take the opportunity of discussing it through that procedure.

It would be a great deal better to have the bill come up by itself, but if that can not be arranged, I intend to offer it as an amendment to the pending bill. It is for relief to the farmers, just as much as this pending bill is intended to be a measure for relief to the unemployed and to others in distress.

Mr. TRAMMELL. Mr. President, I desire to send to the desk an amendment which I wish to have printed and lie on the table.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. JONES. Mr. President, I think there is not a Senator here who wants to get away any worse than I do or is any more interested in getting away than I am. But I have always felt that as long as there is business which the Senate ought to look after, and ought to look after well and carefully, we should stay here and attend to it. I think that is the reason why we are sent here. When we are not ready to do that, we are ready to be sent somewhere else.

There are several important measures yet to come before the Senate. The matter that we have now before us is a measure which in ordinary times the Senate would take two or three weeks to consider and properly put into the shape in which it ought to be for its final passage. We ought not to neglect such important legislation as this by hastily putting it through. It ought to be carefully considered. It ought to be carefully worked out. We hope to do good to the people and to the country through this legislation, and in order to do that the measure ought to be very carefully considered.

The Senator from California [Mr. JOHNSON] suggested that we ought to stay here until some legislation in the interest of the ordinary people is enacted. I agree with him in that statement. I have disagreed with him as to the purposes for which other legislation has been enacted. I have not voted for legislation in behalf of the banks of the country and for the benefit of the banks. I am not especially interested in those who are connected with the banks except those who are interested as depositors, whose savings may be in the banks and who are really the ones who need protection. I think it is beneficial to them that we should enact the legislation we have already enacted. But if we can enact legislation that is of direct benefit to the people of the country, we ought to stay here and do it, and we ought to take time enough to put it in proper shape.

There is other legislation beside that which is now pending that needs careful study and consideration, and that

needs to be enacted in the interest of the people of the country, and we ought to stay here until we have done that. Otherwise, I am not interested in getting away Saturday. It has been said that it will be impossible to get away Saturday. I think so. I can not see how it is possible for us to do in a proper way what the Senate ought to do between now and next Saturday. I think I can stand just about as much as any Senator here, so far as that is concerned. I can work day and night, but I believe we do a great deal better work if we do not try to do so much in so short a time. I think it would be in the interest of the people and the country, as well as in the interest of Senators themselves, if we would follow pretty closely the advice of Doctor COPELAND.

Mr. LEWIS. Mr. President, as I understand these observations from the Senators they addressed themselves to the conclusion as to whether we shall make an effort to adjourn this body before Saturday or by Saturday. Or, shall they remain at such tasks as we have undertaken though they exceed in point of time the end of the week. In this reference to adjourning by Saturday there is covertly carried the thought of the necessity of being present at the Democratic Convention to be held at Chicago. In the first place, I am unable to see where there is any necessity for my eminent and distinguished Republican friends to concern themselves about the Democratic Convention at Chicago. [Laughter.] I am equally indifferent to the Democrats and to any great concern on their part for the mere convention at Chicago when it is merely to attend the convocation of those who will exhibit themselves before the country—

Mr. ASHURST. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Arizona?

Mr. LEWIS. I am delighted to yield to my eminent friend, but I desire to inform him that by asking me at that particular moment to yield he destroyed a very potent thought which I fear has evaporated. [Laughter.]

Mr. ASHURST. Mr. President, the ability and fertility of my learned friend from Illinois will have no trouble in generating the thought at any time he sees fit. I am very much comforted in the last few moments. I have just been handed a note by which I am advised that a man is eligible for nomination for the Presidency or Vice Presidency without being personally present at the convention. [Laughter.]

Mr. LEWIS. Of course, the consolation afforded me in that speech, that my absence will not at all retard the possibility of the success which, of course, the party desires to confer upon me hastily, may have its gratifying aspect, but I say to the Senator from Arizona that while I may be credited with agility of action and ability of speech, I confess I hope for utility of thought and fertility of results. But all this can not disturb the conclusion to which I was reaching. That is, that it is better for the Democratic Party that it certify to America its willingness to remain to duty, and execute such measures as serve the welfare of the public, and thus perform that duty of the Democracy of coming to the rescue of the Nation despite the unhappy illustration disclosed by those who forsook the needs of the Nation under the guise of Republicanism and its convention.

Sirs, I say it is better for the Democrats that we show the Nation that we are willing to remain here and carry on the tasks in behalf of those who need their service, and that we are now preparing to do a service in connection with our Republican brethren that is needed for the common country and its welfare, than merely to hasten, leaping over these tasks, and assembling at some gathering where they shall certify in a platform the wonderful work they are doing in behalf of American mankind—in the face of the fact that they deserted the task at the only place and forum where it could be performed.

I digress in parenthesis to pay my tribute to a late rule of one of the parliamentary bodies of Europe, which I observe is that no newspaper is ever read in the face of a member addressing the body. Luckily for us in this Senate we never have to decree such a regulation as that. Our Senators are made of such high caliber of mind and decency of demeanor

that none would ever do such a thing. This ends my parenthesis.

I was about to add that I remember, as we all do, that in Faust we have an expression from Goethe, in which he speaks of the Brocken, and there he says:

Behold those that fly over the Brocken,
How they alight on limbs each separate from the other,
And soon so confused that when at evening time,
The axe of the hunter is laid to the roots,
And all are found in confusion intermixed and commingled upon the ground.

We may light upon different limbs in this transaction, and the judgment of gentlemen may be wholly different from each other, the methods by which they move about may be affected with each other, but by disclosing to the country the desire and intent to serve, it is that which is the important feature. Milton never gave us a more apt maxim, more completely applicable to the present situation, than in his delightful assertion that "They also serve who only stand and wait." Or as Longfellow puts it, "labors and waits."

I can not profess to be a master financier in these matters of the financing of different proposals. My eminent friend from Michigan [Mr. COUZENS], whose great capacity is certified by those who have observed his splendid course; the gentlemen who have built this bill together in its different phases, have disclosed their capacity or, to use the words of my friend from Arizona alluding to his friend from Illinois, their "agility and capacity and ability." Each has, sir, his own judgment of each provision.

May I be pardoned to relieve the seriousness of the situation here and the gloom that has settled upon the definite conclusion that we are toiling forever without results, by relating that a short while ago there was an application in my city for citizenship by an Italian who was a fruit vender in my city. He proposed to the judge that he wanted citizenship, when the judge said, "Ricardo, do you know you are asking to be made a citizen of the United States?" "Yes, Judge." Then says the judge, "Can you tell me how many States are in the Union?" "Sir?" "You have to be examined," says the Judge. "Yes?" "Can you tell me how many States are in the Union?" "Mr. Judge," says our Italian applicant, "I talk to you. You know your business. I know my business. You ask me how many States in the Union. I ask you how many bananas in a bunch?" [Laughter.]

And now, Mr. President, each of us has a forum of information that relates distinctively to the branch of his own production; but I am anxious now at this second to divert for a moment in reply to my eminent friend from Arizona, whose liquid poetry and rhetorical exaltation in behalf of the drama has captivated us all and warned us with something of an admonition not to advance too far upon the field which he has perfected by his adorning epic.

I desire to say that I count very little, speaking seriously to my friends the Senators, the mere matter of the gathering of conventions and the designation of candidates. I think nothing could be better than the ancient form of selection that did apply to the government in Greece, which they copied from the Judeans, when the applicants for honors from their government were prohibited from being present at the gathering where such were to be chosen. Indeed, in one instance in Greece, when one ambitious hopeful did attend the assemblage, thinking he had victory in his hands, as punishment he was denied the luxury of success because of the audacity that he disclosed by attempting by his presence to influence those who were the judges. I feel that if certain gentlemen we have read of in the public press who are candidates could bring themselves to modest retirement, not being seen in the undertaking, it would go farther and better for them and would leave upon the minds of the Nation the feeling that the choice was not aided and fomented by galleries and by a repetition of that unforgettable and unpardonable incident which transpired in 1924 at the city of New York and another incident which unhappily affected two distinguished gentlemen, now gone to be sentinels of God, two ex-Presidents of the United

States, in the convention at Chicago in a controversy between President Taft and ex-President Roosevelt.

Mr. President, I am not concerned for myself as to whether there be any convention at all. So far as the convention is concerned, I am not at all interested if there be any gallery. I think it would be very wise, sir, and I do not hesitate here to proclaim that the best thing that could happen to the convention would be two orders—one, that the galleries should not have any inhabitants whatever; two, that there should be none of that wild applause and marching like a lot of hyenas beating at their own bodies, with a lot of screeches and expressions, senseless in themselves, regretful in appearance, and valueless in purpose.

I feel, and I take the liberty to assert, that we are just now at the time of the test of the politician by the people. Let us not assume that the great American public are always so befuddled. They have their eyes upon this body, and from here it is the test will come. Are we worthy of their confidence, and will we prove it by remaining to the task for the length of time necessary to execute it, to assure that confidence and trust? We who are lawyers, and most of us in this honorable body are lawyers, remember too well the maxim amidst ourselves "that it is better for a man to feel that he has had justice than even if he has not had it when he does not know it."

If we let the public feel we are attending to their business they are appeased, but if they see that we are assembled here unwilling to do so, that we are staying here grudgingly, opposing the necessity of doing so, and that we are really working here because we are afraid of the multitude and we fear their punishment if we should leave, we get no credit for such a performance that is conducted under such form of coercion. We must let the country realize that we are staying here to perform the task in order to relieve them of the severe exigencies which rests upon them and to give them the benefit of the relief which they now so sorely need.

I recall that the distinguished Senator from Nebraska [Mr. NORRIS], sitting opposite us, in his advocacy of a measure here the other day in our hearing, bringing to bear his usual philosophies, remarked, "It were better to take some bread, a slice off the loaf, than none of the loaf at all."

This is the position of this measure as I behold it: If this measure as it stands here, as prepared by these eminent leaders, with the aid of those, may I add, on both sides of the House, can disclose to the great masses who are watching us that they shall have relief. Equally true those of agriculture spoken of by the eminent Senators from the Dakotas. If all shall see that we are willing to remain to give them the best slice that we can draw from the loaf, we reinstate their confidence and make them feel that they will not go forth hungry, but that we are here to serve them to our fullest capacity. Let us hear again the great cry and the great challenge that they give to us, as they plead unto us for relief. Let us repeat and fulfill the injunction of the Scripture, "That which thy hand finds to do, do it with thy might." Thus it is we remain to perform the task that we may be just to man and faithful to God.

Mr. McNARY. Mr. President, I know of no Senator who desires to conclude the work of this session until emergent and essential legislation shall have been given careful consideration; at least, I can say for myself, Mr. President, it is far from my notion that we should adjourn until that shall have been done. For several days I have entertained an ambition that we might conclude the work of this session by Saturday night. I still cling to that hope, and believe that by night sessions we might consider what the majority of the Senate would consider as a program of essential and emergent legislation. If we can not conclude by Saturday night, then the hours will be shorter when we can conclude if we shall hold night sessions, for if we are not through by Saturday night, if we hold night sessions, we can be through some time next week.

It is not my desire—and I represent merely myself—to apply the whip and spur. I think, however, the country itself would prosper better by closing this session rather than by keeping it open. I think business will revive to a

large extent when Congress ceases to discuss public matters and finds an opportunity to express itself by a vote for adjournment.

So far as I personally am concerned, I do not want to cause any Member of the Senate to make a sacrifice of his health or to cause him any unnecessary inconvenience, but I think we all should make some sacrifice; and I think it is a small one, in view of the situation of the country, for us to stay here at night and work. I think we are quite as well off working here and discussing public problems as we would be if we were away. That is my view, and that is the reason I expressed myself as I did last evening in asking that the Senate continue its session.

Of course the majority of the Senate must control the proceedings, and if a majority of the Senate to-night should decide to recess, I shall have no complaint so far as I am concerned; but, speaking for some on this side of the Chamber, and some, I think, on the other side, I believe we should stay here and work, and I shall do so uncomplainingly. I shall be just as uncomplaining if it should be decided to recess; but upon that question, if a motion is made, I desire a record vote.

Mr. NORRIS. Mr. President, I accept in the best of faith the suggestion made by the Senator from Oregon, and I move that the Senate takes a recess until to-morrow at 11 o'clock, and on that motion I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska, on which the yeas and nays are demanded. Is the demand seconded?

The yeas and nays were ordered.

PURCHASE OF SILVER

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD the report of the Committee on Banking and Currency on Senate bill 3606, known as the silver purchase bill, which was introduced by me and which I discussed in the Senate on last Saturday, June 18, at which time I placed in the RECORD the correspondence with the Secretary of the Treasury with regard thereto.

There being no objection, the report (No. 843) was ordered to be printed in the RECORD, as follows:

[Senate Report No. 843, Seventy-second Congress, first session]
PURCHASE OF SILVER PRODUCED IN THE UNITED STATES WITH SILVER CERTIFICATES

Mr. NORBECK, from the Committee on Banking and Currency, submitted the following report (to accompany S. 3606):

The Banking and Currency Committee, to which was referred the bill (S. 3606) to authorize the purchase by the Government of American-produced silver, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes, having considered same, report favorably thereon with the recommendation that the bill do pass with the following amendments:

Page 1, line 6, after the word "States," insert the following: "at any time prior to July 1, 1938."

Page 1, line 9, before the period insert a comma and the following:

"if such market price of silver at such date is not in excess of 10 cents an ounce above the average market price of silver for the three preceding calendar months. The Director of the Mint shall continue to obtain and keep the necessary statistics to determine the price of silver for the purposes of this act, and shall publish the same at least every 30 days, and shall deliver such statement of prices to any person, firm, or corporation tendering silver for purchase by the United States Government under this act."

After section 1 insert the following new section:

"Sec. 2. The silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of the charges or deductions, if any, to be made; but such silver bullion shall not be counted as part of the silver bullion authorized or required to be purchased and coined under the provisions of existing law."

Change the numbers of sections 2, 3, 4, and 5 of the original bill to 3, 4, 5, and 6, respectively.

Amend the title of the bill so as to read:

"A bill to authorize the purchase by the Government of silver, produced in the United States, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes."

STATEMENT

The primary purpose of the act is to aid in overcoming the oversupply of silver in the markets of the world due to the debasement

and melting up of silver coins by governments and disposing of the metal in the open market.

The secondary purpose of the act is to place in circulation a limited amount of additional currency based upon silver.

This is an emergency act, and its life is limited to a period of six years.

The committee finds as facts:

1. That the extreme and abnormal depression in the price of silver has so lowered the exchange value of the silver money of silver-using countries in relation to our gold-standard money that the purchasing power of the people of such countries in our markets has been greatly decreased, with a serious effect upon our export trade.

2. That such depressed price of silver is not due to an overproduction of the mines in the United States or the rest of the world.

3. That the production of silver for the year 1931 was substantially what it was for the pre-war year of 1913.

4. That the mine production of silver is more or less automatically controlled by the production of copper, lead, and zinc, because 66 per cent of the silver produced in the world is as a by-product of such metals.

5. Such depressed price of silver is chiefly due to an oversupply of silver in the world, such excess supply being derived from the debasement of silver coins through the reduction of fineness of silver content, and through the melting up of silver coins and the sale of the silver residue as metal in the markets of the world.

6. No governments at the present time, except the Government of India, are debasing and melting up silver coins. The Indian Government in 1926 authorized the secretary of the treasury for India to melt up the circulating silver rupee coins in the treasury and as they came into the treasury and to dispose of the metal so derived in the market of the world for the purpose of establishing a gold standard for India. The total amount of such silver sold from the debasement and melting up of silver coins for the past three years was as follows:

	Fine ounces
1929	67,000,000
1930	71,500,000
1931	59,500,000

The total world production from mines during those years was as follows:

	Fine ounces
1929	261,511,985
1930	247,413,900
1931	195,766,700

The British Government for India, notwithstanding that India has gone off the gold-exchange basis, is, nevertheless, continuing the policy and practice of melting up silver rupee coins and selling the metal on the market of the world. Such oversupply must be stopped or counteracted. The treasurer of India demands that mine production shall be reduced. Such a thing is impracticable if not impossible by reason of the fact that two-thirds of all silver produced is produced as a by-product of base-metal mining. The same result can be partially accomplished, however, by temporarily withdrawing from the markets of the world the United States production of silver. In the United States in 1931 there were produced 31,580,000 ounces of pure silver. The withdrawal of such silver from the market would partially offset the oversupply derived from the debasement and melting up of silver coins by governments.

7. The United States Government could lose nothing by the purchase of such silver. It would purchase the silver at the market price and pay for it in silver certificates of \$10, \$5, and \$1 denominations. With silver at the present market price of around 30 cents an ounce the Government would receive 3.3 ounces of pure silver for a \$1 certificate. As there is approximately 0.78 of an ounce of pure silver in a standard silver dollar the Government, in addition to the coined standard silver dollar to redeem the silver certificate if and when presented for redemption, would have and hold a reserve of 2.52 ounces of pure silver as additional security for the silver certificate issued or for seigniorage profits if Congress should authorize the disposal of such surplus silver.

8. The silver certificates would go into direct circulation through the payment for mine wages and mine materials. It would not constitute an inflation and would not be a burden upon our gold reserves. It would constitute, however, a small expansion of our currency based on ample silver security. At the present time the issue of such silver certificates would not exceed \$1,000,000 per month. The evidence shows that there is little hope or expectation of a very substantial increase in the production of silver in the United States for several years. Such production can only increase through the increase in the production of copper, lead, and zinc. The circulation of silver certificates in the United States has existed for over 40 years. During such period such circulation has varied around \$500,000,000, and there has been in the Treasury during most of that time an approximately equal number of standard silver dollars, held for the redemption of such silver certificates. Never in this century has the value of these certificates depreciated or been questioned. This small denomination currency constitutes a large part of the active currency of the country and is quite popular. At the time the \$500,000,000 of silver certificates were issued the gold reserves of the United States ranged around \$1,000,000,000. At the present time the gold reserves range around \$4,000,000,000. It is evident therefore that the small amount of additional currency issued under

the act could never even approach the relative amount of silver certificates to gold reserves that existed at the time the present circulating silver certificates were issued.

We submit with this report a statement made by Senator PITTMAN before the subcommittee, which contains a copy of the bill as amended, the report of the Secretary of the Treasury thereon, and correspondence between Senator PITTMAN and the Secretary of the Treasury relative thereto.

The amendments recommended by the subcommittee are as follows:

In the title of the bill strike out the words "American produced" and insert after the word "silver" the words "produced in the United States."

On page 1, line 6, after the word "States" insert "at any time prior to July 1, 1938."

On page 1, line 9, strike out the period at the end of the sentence, insert a comma and the following:

"if such market price of silver at such date is not in excess of 10 cents an ounce above the average market price of silver for the three preceding calendar months. The Director of the Mint shall continue to obtain and keep the necessary statistics to determine the price of silver for the purposes of this act, and shall publish the same at least every 30 days, and shall deliver such statement of prices to any person, firm, or corporation tendering silver for purchases by the United States Government under this act."

After section 1 add a new section to be designated as section 2, as follows:

"Sec. 2. The silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of the charges or deductions, if any, to be made; but such silver bullion shall not be counted as part of the silver bullion authorized or required to be purchased and coined under the provisions of existing law."

Renumber the remaining sections of the bill, so that the bill will read as follows:

"A bill to authorize the purchase by the Government of silver produced in the United States, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes

"Be it enacted, etc., That silver bullion, the product of mines situated in the United States and of reduction works so located, may be deposited at any United States mint for sale to the United States at any time prior to July 1, 1938; and the Director of the Mint is directed to purchase silver so tendered, not in excess of 5,000,000 ounces per month, at the market price of silver in the United States as of the date of tender, if such market price of silver at such date is not in excess of 10 cents an ounce above the average market price of silver for the three preceding calendar months. The Director of the Mint shall continue to obtain and keep the necessary statistics to determine the price of silver for the purposes of this act, and shall publish the same at least every 30 days, and shall deliver such statement of prices to any person, firm, or corporation tendering silver for purchase by the United States Government under this act.

"Sec. 2. The silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of the charges or deductions, if any, to be made; but such silver bullion shall not be counted as part of the silver bullion authorized or required to be purchased and coined under the provisions of existing law.

"Sec. 3. Payment for silver bullion purchased under the provisions of this act shall be made in silver certificates, which shall be issued for that purpose in denominations of \$10, \$5, and \$1, and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary for carrying out the foregoing provisions of this act. Silver certificates so issued, and silver certificates heretofore issued, or any silver certificates reissued, shall be legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues. Such certificates, when held by any national banking association or Federal reserve bank, may be counted as a part of its lawful reserve.

"Sec. 4. The silver bullion purchased under the provisions of this act shall be coined into standard silver dollars and subsidiary silver coins sufficient, in the opinion of the Secretary of the Treasury, to meet any demands for redemption of silver certificates issued under the provisions of this act, and such coin shall be retained in the Treasury for the payment of such certificates on demand. The bullion so purchased and obtained under this act, except so much thereof as is coined under the provisions of this act, shall be held in the Treasury for the sole purpose of the redemption of the certificates issued hereunder and in the manner herein provided. Any such certificates or reissued certificates, when presented at the Treasury, shall be redeemed in standard silver dollars, or in subsidiary silver coin, at the option of the holder of the certificates: *Provided, That, in the redemption of such silver certificates issued under this act, not to exceed one-third of the coin required for such redemption shall be made in subsidiary coins, the balance to be made in standard silver dollars.*

"Sec. 5. When any silver certificates issued under the provisions of this act are redeemed or received into the Treasury from any source whatsoever, and belong to the United States, they shall

not be retired, canceled, or destroyed, but shall be reissued and paid out again and kept in circulation; but nothing herein shall prohibit the cancellation and destruction of mutilated certificates and the issue of other certificates of like denomination in their stead, as provided by law.

"SEC. 6. The Secretary of the Treasury is authorized to make rules and regulations for carrying out the provisions of this act."

ADDITIONAL EXPENDITURES FOR COMMITTEE ON CONSERVATION OF WILD ANIMAL LIFE

Mr. PITTMAN. Mr. President, there is a Senate resolution on the calendar which is an emergency resolution providing an appropriation of \$7,500 from the contingent fund to pay the expenses of a committee that desires to close up its business. I refer to the Senate Committee on the Conservation of Wild Animal Life Resources. The resolution has been approved unanimously by the committee, and I should like to have it adopted. The resolution was not submitted by me, but I do not think there is any objection to it.

The VICE PRESIDENT. Of course, the motion to recess is not debatable and all this business is being done by unanimous consent. Is there objection to the request of the Senator from Nevada?

Mr. PITTMAN. I asked unanimous consent for the consideration of the resolution.

The VICE PRESIDENT. Will the Senator from Nebraska withhold his motion until other business may be transacted?

Mr. NORRIS. I do not want to withhold it for an indefinite time, but I have no objection to yielding to any request for unanimous consent.

The VICE PRESIDENT. The Chair understands the motion to be temporarily withheld, and the Senator from Nevada is recognized.

Mr. PITTMAN. I ask unanimous consent for the consideration of Senate resolution 203, being order of business 723.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment in line 5, after the word "purposes," to strike out "\$10,000" and insert "\$7,500," so as to make the resolution read:

Resolved, That the special committee directed by Senate Resolution No. 246, agreed to April 17, 1930, to investigate appropriate methods for the replacement and conservation of wild animal life hereby is authorized to expend in furtherance of such purposes \$7,500 in addition to the amount heretofore authorized.

The VICE PRESIDENT. The question is on agreeing to the amendment to the resolution.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ORDER OF BUSINESS

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Nebraska has consented to withhold his motion until I may make a brief statement and request.

It had been my hope that the labors of the Senate might be concluded by Saturday. Frankly, I desired to have the opportunity of attending the Democratic National Convention, which is expected to nominate the next President of the United States. Nevertheless, it seems to me that my first duty is to remain in attendance upon this body until its labors shall have been concluded, and I feel that other Senators who do not find it imperative to go away should remain here.

It seems to me that the debate on the pending bill is being prolonged so that a conclusion concerning it may be deferred for an indefinite time; and I am wondering whether it would be practicable to enter into an agreement that after 5 o'clock to-morrow afternoon the debate shall be limited so that no Senator may speak more than once nor longer than 10 minutes on the bill or on any amendment that may be offered thereto. Assuming that the Senate shall meet to-morrow morning at 11 o'clock, that will afford six hours without any limitation; and it will put into

effect a reasonable limitation that will probably bring to a decision the issues involved in this bill some time late to-morrow.

Mr. LA FOLLETTE. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Wisconsin?

Mr. ROBINSON of Arkansas. I yield.

Mr. LA FOLLETTE. I should like to ask the Senator from Washington [Mr. JONES] if he intends to bring up to-morrow the conference report on the economy bill, which I understand is likely to lead to a good deal of debate?

Mr. ROBINSON of Arkansas. Mr. President, I hope that the pending bill may be disposed of before other controversial matters are brought into the Senate, for the reason that it will be necessary to get the bill into conference at an early date in order that the conferees may have a reasonable opportunity for agreeing within a few days.

Mr. LA FOLLETTE. Mr. President, if the Senator from Arkansas will yield further, let me say that I agree with him about the importance of pushing along the pending bill, but at the same time I know, from the number of those who have been to see me, that there is bound to be considerable debate on the conference report on the economy bill. Furthermore, because the conference report is a privileged matter, I did not want the Senator to make an estimate that we would have all the time he has indicated to give to the pending bill and then have more than half of it taken by the conference report.

Mr. ROBINSON of Arkansas. My thought is that in all probability consideration of controverted conference reports may be deferred until the vote on the pending bill shall have been reached, if it can be reached under such an arrangement as I am suggesting. I know that there are other appropriation bills to come along, and that some time will be required for their consideration; but in all frankness, I feel that some time is being wasted; that we are not making the best use of our time.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. ROBINSON of Arkansas. I yield.

Mr. NORRIS. I should like to say to the Senator that I am in entire sympathy with what he is trying to accomplish. I agree with him that we ought to dispose of the pending bill before we take up any other controversial matters that will take time. However, since the Senator has suggested it, I want to ask him that he not prefer his request now. Senators will be thinking about it to-night, mulling it over in their minds, and talking with each other about it, and by to-morrow morning I have an idea we will be in a much better condition to have that suggestion made to us. I suggest that the Senator submit it to the Senate to-morrow instead of now. I know I should like to consult with one or two Senators before I agree to such a request.

Mr. ROBINSON of Arkansas. If that is the judgment of the Senator, I take it that no agreement could be made this evening, and I will not make the request at this time.

Mr. NORRIS. I hope the Senator will withhold it.

Mr. ROBINSON of Arkansas. I will withhold it.

Mr. JONES and Mr. LA FOLLETTE addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON of Arkansas. I yield first to the Senator from Washington.

Mr. JONES. I was going to suggest that if some arrangement could be made along the line suggested by the Senator from Arkansas, I would be perfectly willing to withhold the privileged matter which has been referred to until the arrangement suggested could be carried out and the pending bill disposed of. I think that would be wise action on the part of the Senate.

Mr. ROBINSON of Arkansas. I desire to thank the Senator from Washington.

Mr. LA FOLLETTE. Mr. President, if the Senator from Arkansas will permit me I wish to say that I think the

Senate has confined itself very well to the subject matter of this bill. True, there was some discussion here on the prohibition question yesterday and a little to-day; but otherwise I think the Senator from New York, in charge of the bill, will agree that there has been a disposition on the part of Senators to confine themselves to the subject matter.

The Senator from Arkansas must take into account that a great many amendments, some of them very important, have been offered to this bill on the floor. So I did not want the statement to rest unchallenged in the Record that we have wasted any time on the bill. I think we have worked diligently on it.

I want to cooperate with the Senator, may I say, in getting an early disposition of the bill.

Mr. ROBINSON of Arkansas. Mr. President, I am not complaining, except I do reaffirm that considerable time has been exhausted, if not wasted. Always in the closing hours of a session there is necessity for quick action. At the same time I realize that the importance of this bill, and its character, require that due consideration shall be given it. What I am wishing to avoid, however, is a situation that easily may arise—conference reports disposed of, appropriation bills passed, the friends of this bill delaying a final conclusion concerning it, and then intense pressure for adjournment on the part of the Congress.

I do not feel that this session of Congress ought to adjourn until every effort has been exhausted to dispose of this measure. That was the reason that prompted me to make the suggestion which I have made. I, of course, will withhold the request, since the indications are that it would be objected to at this time.

Mr. LA FOLLETTE. Mr. President, in view of the numerous and complicated amendments which have been adopted to this bill since it has been on the floor, I ask unanimous consent that there may be a reprint of it, showing the amendments as adopted thus far by the Senate.

Mr. ROBINSON of Arkansas. I think that is a good suggestion.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

ADDITIONAL REPORT OF A COMMITTEE

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (H. R. 11638) to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes, reported it without amendment and submitted a report (No. 867) thereon.

EXECUTIVE REPORTS OF POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

ADDITIONAL BILL INTRODUCED

Mr. HASTINGS introduced a bill (S. 4921) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which was read twice by its title and referred to the Committee on the Judiciary.

INVESTIGATION OF RENTAL CONDITIONS IN THE DISTRICT

Mr. CAPPER submitted the following resolution (S. Res. 248), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Whereas despite a precipitate decline in the prices of practically all commodities throughout the United States and within the District of Columbia, there has been no appreciable decrease in rents in the said District; and

Whereas although the incomes of thousands of District residents have been seriously impaired through the present economic condition, the public of the District is paying high rents based upon inflated and fictitious values of rental properties; and

Whereas the Committee on the District of Columbia, in considering the rental situation in the District, has received charges

to the effect that rents are being artificially maintained at a high level and that, in numerous cases, rents have recently been increased, while wages of employees of apartment houses have been reduced; and

Whereas the Committee on the District of Columbia believes the health and general welfare of the people of the said District to be imperiled by the exorbitant demands of landlords, and believes also that an investigation of rental and related conditions in the said District is necessary to furnish the Senate with information to serve as a basis for such legislation as may be deemed requisite to protect the health and welfare of the public of the District: Therefore be it

Resolved, That the Committee on the District of Columbia, or a duly authorized subcommittee thereof, be directed to investigate any and all conditions affecting rentals and rental properties in the District.

The committee or subcommittee shall make every effort to ascertain the facts as to the rental conditions in the District of Columbia as to vacancies, rents, construction, and any and all other matters pertinent to the inquiry, including financing of apartment houses and dwelling houses for sale or rent in the said District. The committee or subcommittee, upon discovering in the course of its inquiry evidence of any criminal action, shall promptly communicate such evidence to the proper authorities for prosecution.

The committee or subcommittee shall make a final report of its investigation, with recommendations, to the Senate not later than December 15, 1932. For the purposes of this resolution, the committee or subcommittee is authorized to avail itself of the services of all agencies of the Federal and District Governments in the District of Columbia; to hold hearings and to sit and act at such times and places as it deems advisable; to employ such assistance as it deems necessary; to require, by subpoena or otherwise, the attendance of witnesses and the production of books, papers, and documents; to administer oaths and to take testimony, and to make expenditures to be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee or subcommittee. The total of such expenditures shall not exceed \$5,000.

PHILLIP FORMAN

Mr. KEAN. Mr. President, I ask unanimous consent, as in executive session, that we confirm a nomination which has been sent here and approved by the committee—the nomination of Phillip Forman.

Mr. ROBINSON of Arkansas. What is the nomination—for what office?

Mr. KEAN. United States district judge, district of New Jersey.

Mr. NORRIS. No, Mr. President; I do not think we ought to do that.

The VICE PRESIDENT. The Senator from Nebraska objects.

SEVERAL SENATORS. Regular order!

RECESS

The VICE PRESIDENT. The Senator from Nebraska [Mr. NORRIS] has moved that the Senate take a recess until 11 o'clock to-morrow morning. On that question the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. KEYES]. Being assured that he would vote as I intend to vote, I am at liberty to vote. I vote "nay."

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote, I withhold my vote.

Mr. GLENN (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. LONG], who is necessarily absent, and refrain from voting.

Mr. HASTINGS (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. HULL]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I am advised that I can transfer that pair to the Senator from New Mexico [Mr. CUTTING]. I do so, and will vote. I vote "yea."

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote, I withhold my vote. If at liberty to vote I should vote "nay."

Mr. STEIWER (when his name was called). On this question I am paired with the junior Senator from Texas [Mr. CONNALLY], who is detained from the Chamber. In his absence, and not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. WATSON (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH], who is unavoidably detained from the Senate and the city. I transfer that pair to the Senator from Connecticut [Mr. WALKOTT], and will vote. I vote "nay."

The roll call was concluded.

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. THOMAS of Idaho (after having voted in the negative). Has the junior Senator from Montana [Mr. WHEELER] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. THOMAS of Idaho. I have a general pair with the Senator from Montana, and therefore withdraw my vote.

Mr. HASTINGS. I transfer my pair with the Senator from Tennessee [Mr. HULL] to the Senator from New Hampshire [Mr. KEYES], and will vote. I vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Colorado [Mr. WATERMAN] with the Senator from Florida [Mr. FLETCHER]; and

The Senator from New Mexico [Mr. CUTTING] with the Senator from Washington [Mr. DILL].

The result was announced—yeas 38, nays 32, as follows:

YEAS—38

Ashurst	Coolidge	Jones	Pittman
Bailey	Copeland	King	Robinson, Ark.
Barkley	Costigan	La Follette	Schall
Black	Couzens	Lewis	Sheppard
Blaine	George	McKellar	Shipstead
Borah	Gore	Morrison	Trammell
Broussard	Harrison	Neely	Wagner
Bulkeley	Hayden	Norbeck	Walsh, Mass.
Caraway	Howell	Norris	
Cohen	Johnson	Nye	

NAYS—32

Austin	Dale	Hebert	Robinson, Ind.
Bankhead	Dickinson	Kean	Shortridge
Barbour	Fess	McGill	Stephens
Bratton	Frazier	McNary	Thomas, Okla.
Bulow	Goldsborough	Moses	Townsend
Byrnes	Hale	Oddie	Vandenberg
Capper	Hastings	Patterson	Watson
Carey	Hatfield	Reed	White

NOT VOTING—26

Bingham	Glass	Long	Tydings
Brookhart	Glenn	Metcalf	Walcott
Connally	Hawes	Smith	Walsh, Mont.
Cutting	Hull	Smoot	Waterman
Davis	Kendrick	Stelwer	Wheeler
Dill	Keyes	Swanson	
Fletcher	Logan	Thomas, Idaho	

So Mr. NORRIS's motion was agreed to; and the Senate (at 6 o'clock and 44 minutes p. m.) took a recess until tomorrow, Wednesday, June 22, 1932, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 21 (legislative day of June 15), 1932

COAST GUARD

The following-named officers in the Coast Guard of the United States:

Commander Muller S. Hay to be a captain, to rank as such from June 15, 1932, in place of Capt. Harry G. Hamlet, promoted.

Lieut. Commander Frank J. Gorman to be a commander, to rank as such from June 15, 1932, in place of Commander Muller S. Hay, promoted.

Lieut. Raymond V. Marron to be a lieutenant commander, to rank as such from May 15, 1932.

PROMOTIONS IN THE NAVY

Commander Raymond A. Spruance to be a captain in the Navy from the 30th day of June, 1932.

Lieut. Asa Van R. Watson to be a lieutenant commander in the Navy from the 1st day of February, 1932.

The following-named lieutenants to be lieutenant commanders in the Navy from the 30th day of June, 1932:

Roger F. McCall.	James D. Barner.
Louis Dreller.	Malcolm F. Schoeffel.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of June, 1932:

John H. Parrott.
Robert E. Cofer, jr.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 30th day of June, 1932:

John P. B. Barrett.	Lee R. Herring.
Truman J. Hedding.	Thomas U. Sisson.
Clarence E. Ekstrom.	

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 6th day of June, 1932:

Abraham L. Baird.	Samuel B. Frankel.
Charles E. Weakley.	John Andrews, jr.
Robert J. Ramsbotham.	Finley E. Hall.
Williston L. Dye.	John M. Bermingham.
Albert C. Perkins.	James T. Hardin.
Lamar P. Carver.	Robert H. Wilkinson.
Augustus R. St. Angelo.	Donald F. Weiss.
Bruce A. Van Voorhis.	Melvin M. Martin.
Charles O. Triebel.	Francis J. Johnson.
Lowell T. Stone.	Philip R. Osborn.
Richard R. Ballinger.	William J. Richter.

The following-named assistant surgeons to be passed assistant surgeons in the Navy, with the rank of lieutenant, from the 30th day of June, 1932:

Gerald W. Smith.
Thomas M. Arrasmith, jr.
Glenn S. Campbell.

The following-named assistant dental surgeons (temporary) to be assistant dental surgeons in the Navy, with the rank of lieutenant (junior grade), from the 1st day of July 1932:

Merritt J. Crawford.
Adolph W. Borsum.

Radio Electrician Will R. McCutchan to be a chief radio electrician in the Navy, to rank with but after ensign, from the 26th day of January, 1932.

Commander Guy E. Baker to be a captain in the Navy from the 30th day of June, 1932.

The following-named lieutenant commanders to be commanders in the Navy from the 30th day of June, 1932:

Mahlon S. Tisdale.
James L. King.

Lieut. (Junior Grade) Rufus E. Rose to be a lieutenant in the Navy from the 30th day of June, 1932.

Commander Henry K. Hewitt to be a captain in the Navy from the 30th day of June, 1932.

Lieut. Commander Ralph S. Wentworth to be a commander in the Navy from the 30th day of June, 1932.

Lieut. Rutledge Irvine to be a lieutenant commander in the Navy from the 1st day of July, 1931.

Lieut. Roy W. Bruner to be a lieutenant commander in the Navy from the 30th day of June, 1932.

Lieut. (Junior Grade) Philip R. Coffin to be a lieutenant in the Navy from the 1st day of February, 1932.

Lieut. (Junior Grade) Everett H. Browne to be a lieutenant in the Navy from the 1st day of May, 1932.

POSTMASTERS

ARIZONA

William I. Welker to be postmaster at Bowie, Ariz., in place of L. E. Hempstead, resigned.

ARKANSAS

Alfred J. Jefferies to be postmaster at Clarendon, Ark., in place of H. S. Irwin, removed.

Jesse J. Capps to be postmaster at Pangburn, Ark., in place of G. E. Crosby. Incumbent's commission expired May 25, 1932.

CALIFORNIA

Lola P. Neff to be postmaster at Biggs, Calif., in place of L. P. Neff. Incumbent's commission expired May 22, 1932.

Lola F. Thornton to be postmaster at Durham, Calif., in place of L. F. Thornton. Incumbent's commission expired May 22, 1932.

Nicholas Nanassy to be postmaster at Fontana, Calif., in place of E. A. Rees. Incumbent's commission expired May 14, 1932.

M. Earle Adams to be postmaster at Healdsburg, Calif., in place of M. E. Adams. Incumbent's commission expired May 22, 1932.

Linnie Jouett to be postmaster at Hobart Mills, Calif., in place of Mary Goble, resigned.

Charles E. Kline to be postmaster at Willows, Calif., in place of J. J. West, deceased.

COLORADO

Emmons Ringle to be postmaster at Sugar City, Colo., in place of J. H. O'Connell, deceased.

FLORIDA

William A. Murphy to be postmaster at Homestead, Fla., in place of Sherwood Hodson, removed.

IDAHO

John E. McBurney to be postmaster at Harrison, Idaho, in place of J. E. McBurney. Incumbent's commission expired March 2, 1932.

ILLINOIS

Charles M. Jacobi to be postmaster at Bunker Hill, Ill., in place of J. H. Truesdale, deceased.

Roy W. Stott to be postmaster at Evergreen Park, Ill., in place of C. A. Draper, removed.

Glenn S. Wade to be postmaster at Farina, Ill., in place of G. S. Wade. Incumbent's commission expired January 10, 1932.

Imon A. Bankson to be postmaster at Mound City, Ill., in place of T. J. Perks. Incumbent's commission expired March 22, 1932.

Hugh A. J. McDonald to be postmaster at Rock Island, Ill., in place of H. A. J. McDonald. Incumbent's commission expired January 27, 1932.

William M. Repine to be postmaster at Tiskilwa, Ill., in place of W. M. Repine. Incumbent's commission expired December 15, 1931.

INDIANA

Harry R. Hayes to be postmaster at Lawrenceburg, Ind., in place of John Stahl, resigned.

Horace P. Goff to be postmaster at Middletown, Ind., in place of W. C. Farrell. Incumbent's commission expired May 12, 1932.

Iva D. Myers to be postmaster at Millersburg, Ind., in place of I. D. Myers. Incumbent's commission expired May 12, 1932.

Vivian Milburn to be postmaster at Patoka, Ind., in place of Vivian Milburn. Incumbent's commission expired January 28, 1931.

Ernest C. Hefner to be postmaster at Roanoke, Ind., in place of E. C. Hefner. Incumbent's commission expired May 17, 1932.

Curtis D. Richards to be postmaster at Sharpsville, Ind., in place of J. M. Cage, resigned.

IOWA

John C. Erton to be postmaster at Blairsburg, Iowa, in place of J. C. Erton. Incumbent's commission expired December 19, 1931.

Alwin W. Michaelson to be postmaster at Dow City, Iowa, in place of W. C. Rolls, deceased.

Vern U. Waters to be postmaster at Havelock, Iowa, in place of O. M. Bloomer, resigned.

Charles A. Bowman to be postmaster at Iowa City, Iowa, in place of C. C. Shrader, deceased.

Ralph L. Rinehart to be postmaster at Monroe, Iowa, in place of H. J. Perrin, resigned.

Bert Underbakke to be postmaster at Rake, Iowa, in place of A. K. Marsaa, removed.

Ralph R. Fear to be postmaster at Williams, Iowa, in place of Carl Wulkau. Incumbent's commission expired January 10, 1932.

KANSAS

James W. Busenbark to be postmaster at Belpre, Kans., in place of J. M. Arbogast. Incumbent's commission expired December 19, 1931.

LOUISIANA

Cassius E. Jolley to be postmaster at Berwick, La., in place of E. S. Rogers. Incumbent's commission expired May 26, 1932.

Fred E. Callaway to be postmaster at Jonesboro, La., in place of F. E. Callaway. Incumbent's commission expired May 26, 1932.

Hester M. Clark to be postmaster at Many, La., in place of J. W. Miller. Incumbent's commission expired May 2, 1932.

Stephen O. Wilson to be postmaster at Vivian, La., in place of Daniel Crowe. Incumbent's commission expired May 17, 1932.

MARYLAND

Edythe A. Baker to be postmaster at Aberdeen, Md., in place of A. E. Andrew, removed.

William Marshall to be postmaster at Lonaconing, Md., in place of William Marshall. Incumbent's commission expired January 10, 1932.

MICHIGAN

Joseph J. Voice to be postmaster at Fife Lake, Mich., in place of D. E. Hills, deceased.

James Cameron to be postmaster at Parma, Mich., in place of B. F. Peckham. Incumbent's commission expired January 31, 1932.

Raymond A. Liken to be postmaster at Sebewaing, Mich., in place of H. G. Muellerweiss. Incumbent's commission expired January 9, 1932.

Hugh H. Hanna to be postmaster at Tecumseh, Mich., in place of H. W. McClure. Incumbent's commission expired January 9, 1932.

MINNESOTA

Roy A. Smith to be postmaster at Beardsley, Minn., in place of R. A. Smith. Incumbent's commission expired April 23, 1932.

Herbert G. Carlson to be postmaster at Gibbon, Minn., in place of C. G. Carlson, deceased.

Joseph Pott to be postmaster at Glencoe, Minn., in place of A. W. Austin, deceased.

Stephen Singer to be postmaster at Goodridge, Minn., in place of J. M. Payne. Incumbent's commission expired January 18, 1932.

MISSOURI

Harley L. Collins to be postmaster at Bethany, Mo., in place of M. M. Wightman. Incumbent's commission expired May 12, 1932.

Frederick M. Rich to be postmaster at Perry, Mo., in place of F. M. Rich. Incumbent's commission expired May 12, 1932.

Rufus G. Beezley to be postmaster at Steelville, Mo., in place of R. G. Beezley. Incumbent's commission expired January 18, 1932.

Ora M. Anderson to be postmaster at Waynesville, Mo., in place of J. A. Davis, resigned.

Winford E. Cahill to be postmaster at Windsor, Mo., in place of T. C. Harris. Incumbent's commission expired April 9, 1932.

NEBRASKA

Joseph L. Hicks to be postmaster at Farnam, Nebr., in place of O. T. Thompson, resigned.

Trevelyan E. Gillaspie to be postmaster at Lincoln, Nebr., in place of T. E. Gillaspie. Incumbent's commission expired May 29, 1932.

Robert J. Boyd to be postmaster at Trenton, Nebr., in place of R. J. Boyd. Incumbent's commission expired May 2, 1932.

NEVADA

Dora E. Richards to be postmaster at Sparks, Nev., in place of D. E. Richards. Incumbent's commission expired April 9, 1932.

NEW JERSEY

Raymond L. Buck to be postmaster at Hammonton, N. J., in place of J. L. O'Donnell, resigned.

Weston Rice to be postmaster at Lake Como, N. J., in place of Weston Rice. Incumbent's commission expired December 15, 1931.

NEW YORK

George G. Taylor to be postmaster at Canaan, N. Y., in place of E. M. Babcock. Incumbent's commission expired May 14, 1932.

Enoch E. Carpenter to be postmaster at Chestertown, N. Y., in place of C. F. Parker, deceased.

Frank R. Hanson to be postmaster at Sea Cliff, N. Y., in place of F. R. Hanson. Incumbent's commission expired February 24, 1931.

NORTH CAROLINA

Howard P. Holshouser to be postmaster at Blowing Rock, N. C., in place of C. S. Prevette. Incumbent's commission expired May 26, 1932.

Willis A. Willcox to be postmaster at Halifax, N. C., in place of W. A. Willcox. Incumbent's commission expired May 25, 1932.

Calvin M. Adams to be postmaster at Statesville, N. C., in place of J. M. Sharpe. Incumbent's commission expired May 17, 1932.

OHIO

Henry V. Buel to be postmaster at Malvern, Ohio, in place of J. W. Gorrell, deceased.

OKLAHOMA

Harold D. Larsh to be postmaster at Norman, Okla., in place of G. D. Graves. Incumbent's commission expired February 16, 1931.

David D. Hessel to be postmaster at Hitchcock, Okla., in place of R. E. Bain, removed.

Theodosia Parsons to be postmaster at Mountain View, Okla., in place of Theodosia Parsons. Incumbent's commission expired May 16, 1932.

Floyd O. Hibbard to be postmaster at Snyder, Okla., in place of F. O. Hibbard. Incumbent's commission expired December 16, 1930.

Leroy L. Stryker to be postmaster at Vinita, Okla., in place of Joseph Hunt, jr., deceased.

Clark Moss to be postmaster at Wagoner, Okla., in place of E. B. Foster. Incumbent's commission expired February 10, 1931.

OREGON

Delbert E. Pearson to be postmaster at Carlton, Oreg., in place of A. E. Bones, deceased.

PENNSYLVANIA

Mary K. Schambach to be postmaster at Beaver Springs, Pa., in place of M. K. Schambach. Incumbent's commission expired May 25, 1932.

Edward J. Durbin to be postmaster at Brockway, Pa., in place of G. C. Noblit, removed.

J. Elmer Young to be postmaster at Delaware Water Gap, Pa., in place of M. F. Hauser, deceased.

Samuel J. McMains to be postmaster at Leechburg, Pa., in place of C. F. Armstrong, resigned.

Thomas L. Lebo to be postmaster at New Bloomfield, Pa., in place of T. L. Lebo. Incumbent's commission expired May 29, 1932.

Horace H. Hammer to be postmaster at Reading, Pa., in place of H. H. Hammer. Incumbent's commission expired December 16, 1930.

Allen Very to be postmaster at South Montrose, Pa., in place of G. H. Roberts, removed.

Harry H. Hawkins to be postmaster at Spring Grove, Pa., in place of H. H. Hawkins. Incumbent's commission expired January 8, 1928.

Harry Oildorf to be postmaster at Stroudsburg, Pa., in place of W. D. Heilig. Incumbent's commission expired April 5, 1932.

William H. Deppen to be postmaster at Sunbury, Pa., in place of W. H. Deppen. Incumbent's commission expired May 25, 1932.

William H. D. Moyer to be postmaster at White Haven, Pa., in place of W. H. D. Moyer. Incumbent's commission expired January 5, 1932.

RHODE ISLAND

Peter L. Creighton to be postmaster at Harrisville, R. I., in place of J. H. Riley. Incumbent's commission expired December 17, 1931.

SOUTH DAKOTA

Leonard D. Walters to be postmaster at Bruce, S. Dak., in place of L. D. Walters. Incumbent's commission expired June 12, 1930.

Willis W. Youells to be postmaster at Revillo, S. Dak., in place of P. A. H. Hagen. Incumbent's commission expired May 29, 1932.

Helen E. Becker to be postmaster at Turton, S. Dak. Office became presidential July 1, 1928.

Olin A. Hart to be postmaster at Volin, S. Dak., in place of R. T. Johnson, removed.

TENNESSEE

Orville E. Bogart to be postmaster at Erwin, Tenn., in place of J. F. Toney, jr. Incumbent's commission expired April 30, 1932.

Joseph W. Callis to be postmaster at Germantown, Tenn., in place of J. W. Callis. Incumbent's commission expired May 25, 1932.

Paul E. Walker to be postmaster at Ridgely, Tenn., in place of J. N. Wood. Incumbent's commission expired March 16, 1932.

TEXAS

William B. Hamilton to be postmaster at Laredo, Tex., in place of Sol Rubenstein, deceased.

VIRGINIA

Emmett L. Allen to be postmaster at Glenallen, Va., in place of E. L. Allen. Incumbent's commission expired January 5, 1932.

Claude Neale to be postmaster at Saluda, Va. Office became presidential July 1, 1930.

WASHINGTON

Will H. Lunt to be postmaster at Hoodsport, Wash., in place of Phillip Abbey, resigned.

Coy R. Kern to be postmaster at La Conner, Wash., in place of M. J. Chilberg, deceased.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 21, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our Everlasting Father, we wait before Thee with a sense of our manifold needs. Accept our praise for all Thy mercies. Surely Thou hast not restrained them. We trust that we are sincerely grateful for good health; for the privileges and for the joys which bless our daily lives. Above all these, Blessed Lord, we thank Thee for Him, whom Thou hast sent, that our souls may be the sanctuaries of His beautiful spirit. O may it flow in as ours flows out. Vouchsafe the wisdom that we need, and may we submit ourselves to Thy guidance. Bless us with that unity which comes from mutual regard and respect. Minister unto us a sense of the abiding realities, namely, faith, hope, and love. Thus labor shall be made easy, charity zealous, and our aspirations shall be as a climbing flame. Amen.

The Journal of the proceedings of yesterday was read and approved.